AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

S. HRG. 105–817

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1999

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

ON

H.R. 4193/S. 2237

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1999, AND FOR OTHER PURPOSES

Department of Agriculture
Department of the Interior
General Accounting Office
National Endowment for the Arts
National Endowment for the Humanities
Nondepartmental witnesses

Printed for the use of the Committee on Appropriations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE

46–102 cc WASHINGTON : 1999

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0–16–057987–2

COMMITTEE ON APPROPRIATIONS

TED STEVENS, Alaska, *Chairman*

THAD COCHRAN, Mississippi
ARLEN SPECTER, Pennsylvania
PETE V. DOMENICI, New Mexico
CHRISTOPHER S. BOND, Missouri
SLADE GORTON, Washington
MITCH McCONNELL, Kentucky
CONRAD BURNS, Montana
RICHARD C. SHELBY, Alabama
JUDD GREGG, New Hampshire
ROBERT F. BENNETT, Utah
BEN NIGHTHORSE CAMPBELL, Colorado
LARRY CRAIG, Idaho
LAUCH FAIRCLOTH, North Carolina
KAY BAILEY HUTCHISON, Texas

ROBERT C. BYRD, West Virginia
DANIEL K. INOUYE, Hawaii
ERNEST F. HOLLINGS, South Carolina
PATRICK J. LEAHY, Vermont
DALE BUMPERS, Arkansas
FRANK R. LAUTENBERG, New Jersey
TOM HARKIN, Iowa
BARBARA A. MIKULSKI, Maryland
HARRY REID, Nevada
HERB KOHL, Wisconsin
PATTY MURRAY, Washington
BYRON DORGAN, North Dakota
BARBARA BOXER, California

STEVEN J. CORTESE, *Staff Director*
LISA SUTHERLAND, *Deputy Staff Director*
JAMES H. ENGLISH, *Minority Staff Director*

SUBCOMMITTEE ON DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

SLADE GORTON, Washington, *Chairman*

TED STEVENS, Alaska
THAD COCHRAN, Mississippi
PETE V. DOMENICI, New Mexico
CONRAD BURNS, Montana
ROBERT F. BENNETT, Utah
JUDD GREGG, New Hampshire
BEN NIGHTHORSE CAMPBELL, Colorado

ROBERT C. BYRD, West Virginia
PATRICK J. LEAHY, Vermont
DALE BUMPERS, Arkansas
ERNEST F. HOLLINGS, South Carolina
HARRY REID, Nevada
BYRON DORGAN, North Dakota
BARBARA BOXER, California

Professional Staff
BRUCE EVANS
GINNY JAMES
ANNE MCINERNEY
KEVIN JOHNSON

CONTENTS

WEDNESDAY, MARCH 26, 1998

	Page
National Endowment for the Arts	1
National Endowment for the Humanities	27

WEDNESDAY, APRIL 1, 1998

Department of the Interior: Office of the Secretary	39

TUESDAY, APRIL 21, 1998

General Accounting Office	231
Department of the Interior: Bureau of Indian Affairs	231

THURSDAY, APRIL 23, 1998

Department of Agriculture: Forest Service	309
Nondepartmental witnesses	443

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1999

WEDNESDAY, MARCH 26, 1998

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

The subcommittee met at 9:30 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Cochran, Bennett, Gregg, and Bumpers.

NATIONAL ENDOWMENT FOR THE ARTS

STATEMENTS OF:

HON. KATHRYN O'LEARY HIGGINS, ACTING CHAIRMAN; DEPUTY SECRETARY, U.S. DEPARTMENT OF LABOR

SCOTT SHANKLIN-PETERSON, SENIOR DEPUTY CHAIRMAN

BUDGET REQUEST

Senator GORTON. I would like to call this hearing on the National Endowment for the Arts and the National Endowment for the Humanities to order.

Those of you who are repeat visitors at these hearings will note a slightly smaller attendance this year than last. Partly, that is due to the fact that there are competing Appropriations Committee hearings this morning, including one in which I am interested, that have drawn others. Partly, I believe it stems from the impression that the appropriation for the National Endowment for the Arts this year, at least, is somewhat less controversial than it was a year ago and maybe, I may say, due to the fact that we do not have a permanent head of that Endowment at this point.

That may be modestly good news for the defenders of the National Endowment for the Arts, though it still is a controversial agency out of all proportion to the share of the budget that it occupies. I think that Jane Alexander and the people who worked with her did a great deal of very good work in meeting the objections of many thoughtful people to the way in which the Arts Endowment was being handled and have certainly dramatically reduced, together with instructions from the Congress, the number of grants that were objectionable to a large number of the American people.

I regard that as a major step forward in the work that we do here, much of which has been left up to this subcommittee and the fault of any action on an authorization bill for the National Endow-

ment for the Arts. So, I commend the Endowment for the intelligent way in which it has operated over the course of the last several years.

I can say that it will be very difficult to provide any significant increase in the appropriation for either of the Endowments this year. Last year, an agreement on the budget was made with the President that froze discretionary spending essentially over a 5-year period. The President has found a way to wiggle out of that commitment, but he is not going meet agreement on the part of the Congress in that connection. The budget resolution that will be debated next week does, in fact, call for a freeze.

I do not know yet what the precise allocation to this subcommittee will be after the budget resolution is passed, but we are operating on the assumption that it will be approximately the same number of dollars as last year.

You can see, if your eyes are extraordinarily good [laughter] the chart there on my left, which indicates the general division of the amounts of money that are available to this subcommittee. The long green line on the left represents the various activities we fund in management of public lands: our parks, our forests, our Bureau of Land Management. The blue are the Indian activities that are funded through this subcommittee. The purple, science activities. The orange, the portions of the Department of Energy, mostly research, that this subcommittee deals with. The next to the last one on the right, the dark blue there, are the cultural activities, including things like the Smithsonian, for which we are almost solely responsible, and the Endowments.

That is perhaps the best illustration I can give of the fact that the amounts of money that we are talking about are very disproportionate to the amount of interest that they create in the public as a whole.

But we do want to give an opportunity today for a report on the stewardship of the Endowment in the last year and its plans for the coming year.

PREPARED STATEMENT OF SENATOR BARBARA BOXER

We have received a statement from Senator Boxer which will be included in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BARBARA BOXER

I am very pleased that the President has requested $136 million for the National Endowment for the Arts (NEA) for fiscal year 1999. This reflects an increase of 39 percent—approximately $38 million—in the Endowment's current budget of $98 million. I strongly support this increased funding level.

This increase would be used to support programs to target under-represented states, to support national leadership initiatives, and to support partnerships with state and regional arts organizations. They reflect the Endowment's efforts to continue to bring the arts to Americans in every state across the country.

Federal funding for the NEA is an investment in the education of our children, the strength of our economy, the preservation of our nation's cultural legacy, and the quality of American life. The NEA makes the arts accessible to all Americans, not just to those who are in cities or who can afford it.

The NEA is a great investment. For less than 38 cents per American each year—practically the price of a postage stamp—the NEA helps bring culture, dance, music, and art to all Americans.

For every $1 in grant awards, the NEA is able to leverage $12 by requiring arts organizations and artists to match NEA funds with funds from state and local agencies, foundations, corporations, and individuals.

Public funding of arts is good for the economy. In San Diego, California, arts and culture spending generated $6.4 million in taxes to the city and state, and contributed almost $68 million to the San Diego economy. A recent study conducted by McKinsey consultants for New York City concluded that more government money should be spent on the arts because it generates taxes, jobs and economic growth far in excess of the amounts invested.

There are several projects in my state of California which I believe represent the importance and promise of the NEA.

In Long Beach, NEA funding supports an initiative by the city's Public Corporation for the Arts to identify local traditional artists and to develop a series of folk arts presentations in the Long Beach area.

A terrific example of public-private partnership launched with NEA funding is the California Cultural Tourism Coalition Initiative, an innovative program designed to promote San Diego, Los Angeles and San Francisco as cultural destinations through three-to-five day itineraries in each city. This NEA project is fostering exciting new collaborations among the cultural community, the tourism industry, and local hotels and restaurants.

In Los Angeles, a group called Inner-City Arts is creating an arts education program for children in grades two through six in the public schools.

In Pasadena, the Southwest Chamber Music Society is developing a mentorship program with a local high school. This project will provide coaching, private instruction, performance experience and career advice to talented young people.

An Oakland Storybridge project is an inter-generational arts and literacy initiative where low-income older adults interact with at-risk children through a program of storytelling in the schools and community.

NEA funding supports the Urban Renewal Laboratory Project in San Francisco, in which artists, architects, urban planners, computer programmers, and youth will collaborate to create a virtual model city online as well as an actual model city.

As evidenced from this brief list from only one state, the NEA is enhancing the lives of all Americans, and I urge this committee to provide full funding to the NEA at the level requested by the President.

SUMMARY STATEMENT OF HON. KATHRYN HIGGINS

Ms. HIGGINS. I am Kitty Higgins. I am the current Acting Director of the Endowment. I am also the Deputy Secretary of the U.S. Department of Labor. I would like to give a few brief excerpts from my written statement, which I will submit for the record.

Senator GORTON. We will include the entire written statement in the record. So, why do you not go right ahead.

Ms. HIGGINS. Thank you, Mr. Chairman.

As I had mentioned, I am the current Acting Chair. I have had this assignment for about 5 months, and it has really been an education and a pleasure to work with these folks in the Endowment and learn much more about the work that they do. I have come to have enormous respect, as I know you do, for a very small agency that has significant impacts by what they do. They have managed to do a lot more with a lot less, which I think is a credit to them.

We are all eager for Bill Ivey to be confirmed, and I think you have had the chance to meet with him. He is very impressive, and we are hoping that a confirmation hearing will be set very soon.

NEW COUNCIL MEMBERS

A few weeks ago, the National Council on the Arts met. As a result of changes last year, there are fewer members of the Council—eight fewer voting members. We have six new members who are colleagues of yours, three from the Senate, three from the House.

We had a lively exchange with our new Council members and your colleagues. There were two significant messages that they delivered, one about the need to reach underserved communities—and we want to talk today about how we are going to do that—and also the priorities that they have—and I know this is reflected also in the rest of the Congress—for arts education. I think those are the two messages we heard loud and clear.

NEA PRESENCE IN NORTH DAKOTA

I want to just give you my own sense of the role that the arts can play in a community like Grand Forks, ND, which as you recall, about a year ago at this time was really under siege. After the heavy snows of last winter, the Red River overflowed its banks. The city was literally drowning. And then the fires came.

I was privileged to be able to join the President and members of the North Dakota and South Dakota congressional delegations, including Senator Dorgan from this committee, to visit there. When we flew over that town, it was just amazing. The whole town was literally flooded, but there were a few survivors, one of which is the North Dakota Museum of Art.

We have for the record an article that appeared in the New York Times. CBS "Sunday Morning News" also did a piece on the role of this wonderful museum. I have had a chance to talk to the director. I think it is emblematic of the role that the arts play in communities like Grand Forks all around this country where they provide an anchor, if you will. After the floods—in fact they are still providing this service—the museum became essentially a community center. They are a gathering place now for the Bible Baptist Church, which holds Sunday services there. The North Dakota Ballet is now conducting rehearsals there. There are weekly meetings of various community groups because it was really one of the only places in the town that was spared from the flood. They hosted free concerts and potluck suppers last summer as a way to bring the community together and help them heal after the devastating floods.

I think the director put it well when she said a museum is like a church in that it is the center for the community. The flood made people aware that cultural life and cultural institutions can offer comfort and solace in a crisis.

The mayor of Grand Forks, Pat Owens, said, you need your businesses, houses, churches, and schools, but you also need something for the spirit and the mind that deals with culture. I believe that the arts are the heart of our community and that cultural life had become a way of life for our community. If you do not have culture, you really are missing something mentally and emotionally.

As I mentioned, the North Dakota Museum of Art is an NEA grantee. The director of that museum is a wonderful advocate for the Endowment and talks about the difference that the small amount of NEA funding makes to the people of Grand Forks and the people of North Dakota in terms of the kinds of exhibits that can be brought there that would not otherwise be available to that community.

[The information follows:]

[From the New York Times, Sunday, Nov. 23, 1997]

AFTER FLOODING, AFTER FIRE, SALVAGING A CULTURAL LIFE

(By Ian Swanson)[1]

It happened quickly. The snow and ice covering North Dakota from the last and worst blizzard of the year was still melting in April when sandbaggers in Grand Forks retreated and watched their city fall to the flooding Red River.

Water spilled over the sandbags, overwhelmed temporary clay dikes and shot up through storm sewers. In minutes people were fleeing their homes as the river slowly rose and expanded over the flood plain, overtaking neighborhoods one by one. It was Friday, the 18th. The next day, the entire city of 50,000 was evacuated, some in motorboats. As others drove away, they could look in their rearview mirrors and see the smoke rising.

One calamity, they discovered, had produced another: fire had erupted in the deserted downtown, apparently from short-circuiting brought on by the flood. But with an icy river running waist-deep through the streets, firefighters were practically helpless. Fire hydrants—all underwater—failed. Airplanes had to be called in to smother the flames with a chemical liquid retardant, but not before the fire destroyed two of the oldest blocks in the city. Almost overnight, an America that had paid little if any attention to Grand Forks was now hearing a lot about it—about how it was both drowned and burned.

Seven months later, with the help of millions of government dollars, the people of Grand Forks continue to rebuild the essentials of their ravaged city: homes, businesses, schools, churches. But in many quarters they are also asking a basic question that could be posed to any community waylaid by disaster and forced to rebuild almost from scratch: at what point should it properly turn its attention to reviving its cultural life? It's a question of priorities, and one that reaches back, really, over the millenniums. For it speaks directly to a fundamental and long-debated issue that any people must address: the importance, and place, of art in the life of a society.

The issue has come up in Grand Forks in newspaper opinion pages and in coffee shops and taverns as people argue about how the city should set priorities in spending its limited resources. And while business and political leaders remain publicly supportive, cultural groups wonder where they will fit in.

"You need your businesses, houses, churches and schools," said Pat Owens, the Mayor of Grand Forks. "But you also need something for the spirit and the mind that deals with culture. I believe the arts are the heart of our community, and that cultural life had become a way of life for the community. If you don't have culture, you're really missing something mentally and emotionally."

That may be, but homeowners still waiting for government flood relief checks and business owners concerned about a housing shortage and a tight labor market aren't always thinking about the health of their minds and spirits. When they are, they're more likely concerned with the public schools and the churches, which also need to be rebuilt.

"Shelter is the first priority," said Eliot Glassheim, a City Councilman from a mostly working-class district. "You've got to eat, and you've got to have a place to live. We've got to make sure houses and businesses are taken care of because otherwise the tax base won't be there." He said the city could and should provide some financing for the arts, but in the long run, he maintained, it could best insure a healthy arts community by helping businesses and homeowners get back on their feet.

Still, something important was lost in the flood and fire. As the state's second-largest city and a regional center for all of northeast North Dakota and northwest Minnesota, Grand Forks has also been something of a cultural capital, supported by the agricultural wealth of the Red River Valley, an area so fertile that wheat, sugar beets and potatoes thrive here despite the long and punishing winters of the northern Plains.

The city has been home to the North Dakota Museum of Art, the state's only contemporary art museum; the Firehall Theater, a profitable community theater group; the North Dakota Ballet Company; the Greater Grand Forks Symphony; a city band, and a master chorale. It has also drawn cultural sustenance from the University of North Dakota, where 11,000 students can take advantage of Broadway

---

[1] Ian Swanson is a staff writer for the Grand Forks Herald and founder of the High Plains Reader, a newspaper covering arts in the region.

groups, dance productions and a wide range of musicians who visit the campus, on the western edge of town, every year.

"Historically Grand Forks has one of the strongest humanities audiences on the Great Plains," said Bruce Gjovig, a member of the board of the museum.

Indeed, in September of last year, the city was prepared to take a leap forward with the opening of the downtown Empire Arts Center, an auditorium, gallery and conference center for arts groups rising from the remains of the abandoned Empire Cinema, built in 1919. The arts center, along with a collection of new cafes, restaurants and bars, was being looked on as an emblem of rebirth for a downtown area that had lost much of its vitality to outlying areas and was now beginning to bustle again.

The flood changed that picture. About four feet of water flooded the Empire's first floor, causing $150,000 in damage. The North Dakota Ballet Company's offices, studio and belongings disappeared in the fire, as did the quarters of two major employers, First National Bank and The Grand Forks Herald. The bank has since moved to an office building, while the newspaper now operates out of a converted department store.

Firefighters stopped the fire 50 yards from the Firehall Theater, but they could do nothing about the Red River, which flooded the building and destroyed the theater's box office, stage and seating. Only the North Dakota Museum of Art was spared, miraculously escaping even basement flooding.

But the museum hasn't eluded the consequences of the flood. Like every other arts institution in Grand Forks, the museum, which had operated on annual budgets of $600,000 to $1 million, faces a financial crisis. The people it had long depended on for support—large donors and small—have been putting their money elsewhere, in repairing their own homes, replacing furniture and clothing ruined by flood waters and helping others feed and shelter themselves. Now the museum is asking where it can find the precious dollars to keep art on the walls and electricity and heat in the building.

Financing the arts certainly isn't the top priority today for Grand Forks citizens, most of them descendants of German and Scandinavian immigrants who settled here in the last century. As winter approaches, many continue to live in Federal Emergency Management Agency trailers on the outskirts of town. Some nervously await overworked contractors hired to install or repair boilers or furnaces in apartment buildings and houses. Owners of small businesses—if they're able to reopen at all—worry about finding people to work for them in a job market suddenly depleted by the flood.

People in the arts understand these concerns and priorities; dance and museum directors also own homes, after all, and their children attend the schools. And the arts groups are encouraged when business and political leaders say that cultural institutions won't be shortchanged in the rebuilding of the city. But the arts organizations aren't taking any chances. They're trying to prove their worth by collectively broadening the scope and relevance of their work—and hoping that that will bring new patrons and benefactors through their doors.

In many ways they're taking a cue from a recent report by the National Endowment for the Arts, which described the art world as out of touch with the public. If artists want to receive funds from the public or private sector, the report suggested, they need to become more relevant to their communities. They need to combat the public's perception that art institutions are elitist and class-based.

Today, forced almost to start fresh, that's exactly what many people involved in the arts here are trying to do.

"The first thing I thought was, Where am I going to find the money to keep the place going?" said Laurel Reuter, the founder and director of the North Dakota Museum of Arts. "Then I thought about programming and how we could be useful at this time."

Her answer was to open the museum's doors to those in need of a roof and a dry floor. The Bible Baptist Church, driven out of its chapel after water had reached the roof, held Sunday and Wednesday night services in the museum, setting up chairs right under works by contemporary artists like Kiki Smith, Duane Michaels and Jenny Holzer. Every two weeks during the summer the museum held potluck dinners and free concerts that drew hundreds of citizens. (Ms. Reuter said that as the summer progressed the potluckers, often arriving straight from days spent "mucking out" their basements and rebuilding their homes, grew cleaner and cleaner.)

On Thursday nights, the North Dakota Ballet Company, forced out of its studios when its building burned down, has been conducting classes and rehearsals at the museum. And community groups as disparate as the Firehall Theater and the Center for Violence and Intervention used the museum for weekly meetings.

"A museum is like a church, in that it is a center for the community," Ms. Reuter said. "In all my history I'd never thrown a potluck for anything. But instinctively I knew it was the right thing to do. As every one of these events grew in size, it amazed me how much people liked them." The flood, she said, "made people aware that cultural life and cultural institutions can offer comfort, solace and a center."

And the flood forced her to change her thinking, as well, she said. She, too, now shares the worry that the art world has become estranged from a general public that views it as elitist and class-based.

"I think what we're doing absolutely counters that problem, and without the flood I might not have learned that," Ms. Reuter said. "We show art that is difficult—contemporary art—and we work hard to make it accessible. The flood has given us a wonderful opportunity to address our public through contemporary art in a way that hits at the guts of the people. It's not esoteric. It's not intellectual. It's real."

And while eating hot dishes and singing hymns, a public that had little interest in art has begun to appreciate the paintings and sculptures that express ideas about alienation and identity.

"I think people became comfortable when they began to realize how much they understood about the works without a formal art education," Ms. Reuter said. "The comfort goes up and the strangeness goes away as people begin to peel back the layers of meaning. People were surprised at how much the works related to their own lives."

Other cultural institutions have changed their programs and cut ticket prices to make themselves more accessible to the public.

The Greater Grand Forks Symphony cut its ticket prices by $10, to $15, for its annual Oktoberfest concert. And to appeal to a wider audience it took an almost down-home approach in its advertisements, showing the symphony's director, Timm Rolek, in black tie and lederhosen and holding a German stein. But that doesn't mean the symphony has gone pop or is dumbing down. The Oktoberfest concert's program was entirely classical, with the Metropolitan Opera tenor Dennis Petersen as the guest vocalist performing the Prize Song from Wagner's "Meistersinger" and, appropriately, "Their Land Brought Forth Frogs," from Handel's "Israel in Egypt."

On the other hand, the Firehall Theater decided to present only musicals and comedies in its first postflood season, staging them in the theater even while it undergoes renovations (for seating, patio chairs have had to be dragged in from outside). The executive director, Steve Saari, said the theater was giving the audience what it wanted: a break from flood recovery.

"We want to keep trying to challenge our audience," Mr. Saari said. "But this season we thought it was better to do comedies and musicals and give our audience a chance to laugh."

The theater is lucky to be open at all. After initially applying for a small-business loan, it received contributions from theater companies across the county as well as grants from the North Dakota Council on the Arts and the Minneapolis-based Otto Bremer Foundation, which donated $2.8 million to flooded communities throughout the Red River Valley. The theater was then able to turn down the loan and still rebuild, using its own staff instead of contractors. Mr. Saari himself hauled out loads of water-logged sheetrock.

John Kostishack, the Bremer foundation's executive director, said he believed that some of the organizations Bremer had financed wouldn't survive their flood problems. But the arts groups in Grand Forks are more optimistic. While the North Dakota Ballet Company continues to meet, rehearse and hold classes at the Museum of Art, it has received several grants from regional foundations to replace costumes, equipment and other materials lost in the fire.

"I have been encouraged by the phone calls we've received from people who say we need this on such an important level," said the ballet company's director, Mary Ellen Weir. Saving the ballet, she said, has been "important for the overall health of the community as an escape from the rest of their problems."

"I always felt we'd be back," she said.

The Empire Arts Center hasn't set a date for its grand reopening, but Sheryl Smith, executive director of the North Valley Arts Council, a regional group in charge of the center's construction, is hoping for a spring debut. That chance increased with the announcement of $350,000 in grants from the Bush and Knight foundations.

Like other groups, the arts council has turned to private foundations for support instead of local businesses and individuals, who in a normal year provide 60 percent of the council's budget. Besides providing workshops, meeting places and marketing efforts for arts groups across the northern Red River Valley, the arts council will dole out more than $60,000 in grants itself. In overseeing the creation of the Empire center, a $1.5 million project, the arts council has tied itself even more closely to

the future of Grand Forks. And its decision to choose the familiar old movie theater as the site for the center only underscores this bond with the city.

"One of the reasons we selected the Empire is that there are very few people around our community who haven't ever been there," Ms. Smith said. "It's an unassuming place where people can feel comfortable—even if there is an art gallery inside."

A half-year after the flood, the Empire still looks unhealthy. Its crumbling brick facade, heavily damaged by flood water, makes one doubt the dogged determination of its marquee, which promises "We are coming back." But across the street there are signs of rebirth. A favorite pub, destroyed by the fire, reopened in November. Every night it fills with college students and professors and lawyers still practicing near the downtown courthouse. Conversations revolve around memories of the old Grand Forks, and ideas about creating a new one.

PROPOSED USE OF REQUESTED BUDGET INCREASE

Ms. HIGGINS. As you know, the arts help communities all across this country. An estimated $37 billion of national economic activity is generated through the arts, and about $3.4 billion in Federal income taxes each year. There are about 1.3 million Americans employed in nonprofit arts activities and this is all as a result of a small agency budget of $98 million.

The President has asked for a modest increase of $38 million. Those additional funds will go for the ArtsREACH Program which will serve underserved States, again a priority I think for this committee and for others in the Congress. There are about 20 States that are targeted for ArtsREACH. I would just point out to the committee that there are a number of members on this committee whose States would be served by an expansion of ArtsREACH. I think we are reaching 11 additional States that are represented by this committee, States that are underserved.

ARTSREACH INITIATIVE

There would be additional funding for the State arts councils and also additional funding for arts education.

We have taken seriously the reforms that were put in place last year. As I mentioned, ArtsREACH is one of those reforms. We are trying also to reach out to communities by working with the country's mayors. I think you were the recipient of an award that the mayors presented in tribute to the work that you have done on behalf of the arts, along with Congresswoman Louise Slaughter.

IMPORTANCE OF ARTS EDUCATION

On arts education, we had a wonderful presentation recently at the Council by Leonard Slatkin, who talked about what a difference the arts made when he was growing up. He went to a public high school in Los Angeles, and he said when he was in high school, there were three choruses, two bands, one orchestra, and a composer in residence. He said today the school is an armed camp. He said for two generations children have had no exposure to the arts in school.

We have a small Arts Education Program, $13.7 million last year. As I mentioned, the President's budget would provide some more funding there.

We are also trying to think about arts education in ways that go beyond just funding for the Endowment. The Council on Juvenile

Justice, led by Attorney General Reno, is looking at the arts as a way to deal with youth crime.

In the Department of Labor, for example, we are working on a memorandum of understanding [MOU] with the Endowment. There are now 30 MOU's, if you will, with other Federal agencies, as ways to partner and expand the reach of the arts through other Federal programs. We do a lot of work at the Labor Department with disadvantaged young people, and we are looking to do more in the area of the arts.

ADMINISTRATIVE BUDGET

Management, I know, has been a big concern of the Congress. I have been impressed, frankly, with how much the Endowment does with a very small staff. As I mentioned, my day job is managing the Labor Department. We have 17,000 employees and a $35 billion budget. NEA has less than 160 employees and a $98 million budget, but last year they awarded 1,100 grants and they manage, on an annual basis, about 4,200 grants. The Labor Department is primarily an enforcement agency, but we also are a grantmaking agency. We managed to deliver 1,300 grants. So, you can see there is a significant difference in scale.

B–2 BOMBER GRANT PROPOSAL

I also was impressed by the proposal, which I am sure you are aware of, that a number of your constituents from Washington State submitted to the Endowment. They actually proposed a grant for $98 million. [Laughter.]

Their idea was to essentially create a model of part of the B–2 that they could then take around the country. I think it is humorous and obviously we were not able to fund it. [Laughter.]

But I think it does point up and put in perspective the small amount of money that goes into the arts when you think that they could not even with that pay for all of the B–2. They are not quite sure how much it would pay for. But one B–2 bomber, the estimates show, costs anywhere from $1.5 billion to $2.2 billion. So, our little bit of $98 million—and we would hope we could get some increase this year—does not even pay for probably one-half or one-quarter of a B–2 bomber.

PREPARED STATEMENT

We are hopeful that the Congress will see fit to increase our funding. We take heart in the fact that we are less controversial this year. I think the NEA has come through, with your support and the support of your colleagues, a tough year. I think we have made some significant reforms. We are looking forward to working with you to continue to implement those reforms and to expand the reach of the Endowment in ways that will benefit all of our citizens.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. KATHRYN O'LEARY HIGGINS

Thank you Mr. Chairman, and Members of the Interior Appropriations Subcommittee. When the President asked me to serve as the Acting Chair of the National Endowment for the Arts last fall, I was deeply honored. I am equally honored to appear before you today. I've had a delightful experience the last 5 months serving as Acting Chair of the Endowment. It's been a pleasure to work with Scott and her dedicated team.

They have carried out the administration's commitment to make government work better and cost less. The 40 percent cut in funding and 89-person cut in staff (in fiscal year 1996) have tested the patience and fortitude of the NEA team. I think they've passed with flying colors and with their sense of humor in tact.

As much as I've loved this assignment, I know we are all eager for the Senate to confirm Bill Ivey as the new Chair. I know he has met with you Mr. Chairman and with Senators Bennett and Stevens, and I think you'll agree that he will be a great leader of the Endowment.

One of my assignments as Acting Chair of the Endowment is to help convene meetings of the National Council. The Council met just two weeks ago and, as a result of changes in last year's appropriations bill, there are 8 (or 30 percent) fewer voting members than before; in September of this year, that number will go down by 4 more (an additional 15 percent reduction). The result of this downsizing already is that not all of the creative disciplines are represented. We are missing expertise in some key areas like design, dance and literature. This is of great concern to the council and I hope we can work with you Mr. Chairman to take another look at the size of the voting membership of the council.

At this Council meeting, we welcomed six new members—three of your colleagues from here in the Senate (Senators Durbin, Sessions and Collins) and three Tom the "other body" (Representatives Nita Lowey, Cass Ballenger and John Doolittle).

Four of our new members were able to personally participate in the Council's meetings and, as you might guess, the exchanges were lively and thought provoking. Two messages were offered by the new members:

—(1) The Endowment should do more to make funds available to undeserved communities; and,

—(2) Arts education should be a higher priority and given more prominence in the Endowment's agenda.

Both messages were well received by the Council. Today Scott and I will address the actions the Endowment is taking to deal with these concerns.

But first, I want to share with you a story that particularly touched me and I believe reveals the essential and invaluable role that the arts can play in bringing communities together and helping them to heal when tragedy strikes.

Just one year ago, Grand Forks, North Dakota was under siege. When spring came to North Dakota last year, after one of the worst winters in memory, the Red River overflowed its banks, broke through the man-made dikes and levies, and inundated this modest community of 52,000.

The city was literally drowning and its citizens had to be evacuated—and then the fires came. Who can forget the tragic scenes of those fires raging out of control, destroying several blocks of the business district as the volunteers fought desperately but in vain to save their downtown.

I visited Grand Forks last April with President Clinton and the Congressional delegation, and the scenes of a flooded city and burned out buildings are indelibly etched.

But all was not lost. There were a few miracles. The North Dakota Museum of Art and all the art it holds survived. Even the basement was dry. And because it was one of the few community facilities to come through the floods and fires unscathed, the museum quickly became a gathering place for displaced city residents.

Members of the Bible Baptist Church gathered at the museum twice a week for services. The North Dakota ballet used the museum for rehearsals and the Center for Violence and Intervention conducted weekly meetings there. And last summer the museum hosted potluck suppers and free concerts for the citizens of Grand Forks who came every week, weary from digging their homes out from the muck and mire.

Ms. Laurel Reuter, the museum's director, put it this way: "A museum is like a church, in that it is the center for the community * * *. [t]he flood made people aware that cultural life and cultural institutions can offer comfort, solace and a center."

Or as the indomitable Mayor of Grand Forks, Pat Owens, said "You need your businesses, houses, churches and schools. But you also need something for the spirit and the mind that deals with culture. I believe the arts are the heart of our commu-

nity, and that cultural life had become a way of life for the community. If you don't have culture, you're really missing something mentally and emotionally."

The North Dakota Museum of Art is an NEA grantee. And the Council just provided additional funding to help the museum plan and manage an endowment campaign. This will secure the museum's place and prominence at the center and heart of the Grand Forks community I would ask that the New York Times November 23, 1997 account be entered for the record.

COMPARATIVE PERSPECTIVE

The Endowment helps communities like Grand Forks all across the country. The Endowment generates an estimated $37 billion in national economic activity and returns about $3.4 billion in federal income taxes each year. More than 1.3 million Americans are employed in the nonprofit arts industry. And all of this was accomplished, in this past year, with a budget of $98 million—or at a cost of about one postage stamp per taxpayer.

The President's budget request is $136 million for the NEA, a $38 million increase. By comparison, in constant dollars, this is less than half what the NEA's budget was 20 years ago. So, as you can tell, the President's fiscal year 1999 budget request is extraordinarily lean.

The additional $38 million requested for fiscal year 1999 will fund the important $20 million ArtsReach program that Scott will discuss in greater detail; provide $14 million to States Arts Councils; and, provide $4 million to arts education.

KEY CONCERNS

As I mentioned, the two issues discussed actively at the Council meeting were: the reach or distribution of the NEA grants—in other words, how do we help communities, specifically the undeserved; and, the importance of arts education.

Let me touch on each.

Reaching out to all communities—getting to the undeserved

The NEA recognizes that too many states aren't participating as fully as we'd like, but we are determined to correct that problem. As Congressman Ballenger put it at the Council meeting, he is convinced there is now a very strong effort on the part of the NEA to go, as he said, "into the boondocks."

The ArtsReach program, which Scott will address, would specifically target undeserved states, increasing the likelihood that we can reach all 50 states—if we get the money to carry it out.

We also seek representation from all the states on the panels that review grants; in addition, we've established a multi-state funding category and this year 334 applications in this category were approved by the Council; we're also asking grantees to let us know exactly where projects occur—and with new software, tracking this by zip code.

We also have enlisted the help of our nation's mayors. Recently I attended the awards dinner sponsored by the U.S. Conference of Mayors and Americans for the Arts: Over 650 people attended including 300 mayors and it was truly a celebration of the importance of federal support for the arts and the NEA. Awards were presented to you Senator Gorton, and Congresswoman Louise Slaughter, from New York, in recognition of your and her outstanding support of the Endowment. Your comments, along with those of the mayors who participated in the evening, were a strong endorsement of the importance of the arts to communities across America.

The NEA, through the Mayors Institute on City Design, is helping local governments do comprehensive planning and revitalize their communities—Scott will tell you in more detail about Rock Hill, South Carolina's Mayor Betty Jo Rhea's wonderful experience. When we broaden how we think of "art," we recognize that the creative talents the arts engender, are talents that are invaluable in every element of society, in every endeavor.

Arts education

I wholeheartedly agree with several of your distinguished colleagues who pointed out to the full Council, that arts education is critically important.

I'm reminded of what our second President John Adams wrote to his wife Abigail in 1780: "I must study politics and war that my sons may have liberty to study mathematics and philosophy. My sons ought to study mathematics and philosophy, geography, natural history, naval architecture, navigation, commerce and agriculture, in order to give their children a right to study painting, poetry, music, architecture, statuary, tapestry, and porcelain."

When Maestro Leonard Slatkin recently spoke to the Council about the importance of arts education, he noted that: "we're close to two generations of the public who have seen cutbacks in programs in schools, public schools in particular." He told us how, when he was a student in a public high school in Los Angeles, there were three choruses, two bands, and one orchestra, and a composer in residence—in a public high school. He said, "today the school is an armed camp."

The NEA does have an effective, albeit small, arts education program, just $13.7 million last year. Of the additional monies in our fiscal year 1999 request, an additional $4 million would go to expand arts education.

The NEA helps educate youth through traveling programs in schools, and through after school training programs, and community exhibits. The NEA achieves this through a wide variety of partnerships, including 30 agreements with other federal departments.

I recently represented the NEA at the Coordinating Council on Juvenile Justice, chaired by Attorney General Reno. Along with Secretary Shalala, General McCaffrey and others, we discussed how arts activities are a tremendously positive alternative for youth, helping them avoid danger in the streets and the influence of drugs and crime.

At the Department of Labor, we now recognize the Arts can help us do more to assist Americans, especially youth, in developing the skills needed to succeed in the workplace. Arts programs help improve self esteem, teach how to be more assertive in a positive way, improve communication skills, and develop discipline while involved in projects—all skills employers value!

In Poughkeepsie, New York, for example, the Job Training Partnership Act and the New York State Council for the Arts, contribute to Project ABLE (Arts for Basic Education, Life Skills, and Entrepreneurship). Under the guidance of a carpenter, a retail design specialist and artists, city youth have renovated a gift shop, an arts gallery and a warehouse and have undertaken public arts projects. The teens gain specific job skills, learn how to resolve conflict, work in teams and exercise decision making abilities.

The Department of Labor is developing a Memorandum of understanding with the Endowment—to learn from and expand on programs like Project ABLE.

The benefit of arts education in promoting creative thinking, is well as recognized. Harvard and many other business schools are actually teaching creativity—and large companies sponsor conferences, training and guest speakers that highlight thinking "outside the box."

Strategic management

All this work is being done by the NEA, as I pointed out earlier, with fewer people, and with less money than since the late 1970's.

I am impressed by the streamlined, cost effective and public way in which the NEA manages—responding to what I would call both the leadership and challenge of many in Congress.

In addition, the new strategic and performance plan process known as GPRA, has helped the NEA to focus its efforts on tangible results.

It's been fascinating for me to contrast the NEA with my day job, as Deputy Secretary of Labor. The Labor Department has about 17,000 employees and a budget of almost $35 billion. The NEA on the other hand has just 150 employees and its budget last year was $98 million. In grant activity last year, the NEA awarded 1 101 grants and continued to manage another 4,200 or so. The Labor Department awarded approximately 1,300 grants last year. The NEA is a small, but very effective organization.

To continue to be effective, I urge the you to forward an appropriations bill for the NEA. CBO, according to a January 1997 report, is not aware of any case in which appropriations have not been provided solely because a program or agency's authorization has expired.

Closing

In his State of the Union address, the President asked how we would mark our passage into the new Millennium.

At the NEA, we want to mark this passage with a more open, well managed and enlightened effort to honor the past achievements of our nation's creative and artistic talents—through museum exhibits, traveling shows, and gala performances—so as to educate a generation about all aspects of its culture.

And we shall also imagine the future, supporting new artists in all fields, and thinking about art in a new way—a way that encourages a generation to help shape its culture, as well as helps Mayors design revitalized communities, and businesses compete better in the global economy with creative talent.

I think the best way to reach undeserved areas, to promote arts education, to enable all Americans to experience the richness of our culture, is to continue to have an active dialogue with those we serve, and to provide forums and opportunities for them to engage in that dialogue, and in the programs and activities that share, celebrate, and create anew this great culture.

The role of the NEA is not to steer that dialogue or those shared experiences, but to continue to ensure they exist for as many Americans as possible.

Thank you for giving me the opportunity to speak with you today. I'd like to introduce Scott Shanklin-Peterson, Senior Deputy Chairman of the National Endowment and its chief operating officer.

BIOGRAPHICAL SKETCH OF KATHRYN O'LEARY HIGGINS

Kathryn O'Leary Higgins was sworn in as Deputy Secretary of Labor on July 2, 1997. Currently the second in command under Labor Secretary Alexis M. Herman, Ms. Higgins oversees policy development and the day-to-day operations of the 16,000 employee Department.

Ms. Higgins brings nearly three decades of experience and leadership to the job of Deputy Secretary. In her current role, she manages the Department's 16 agencies helping to assure that working Americans are paid a just wage, can depend on a secure retirement, have a safe, healthy and fair workplace, and are prepared for the highly-competitive global economy.

Joining the Clinton Administration immediately after the 1992 election, Ms. Higgins served as the Chief of Staff to President Clinton's first Labor Secretary, Robert Reich. In February 1995, she moved to the White House to serve as an Assistant to the President and the Secretary to the Cabinet. Ms. Higgins held this position until her July 1997 confirmation as Deputy Secretary of Labor.

Kitty Higgins began her career in public service in the summer of 1968 as an intern at the Labor Department. After graduation from the University of Nebraska in 1969, she returned to the Department and worked as a Manpower Specialist until 1978. She then served on President Carter's Domestic Policy Council as an Assistant Director for Employment Policy from 1978 to 1981.

In January 1981, Ms. Higgins joined Senator Edward Kennedy's staff as a Senior Legislative Associate for the Senate Committee on Labor and Human Resources, and rose to become the Democratic Staff Director, serving the Senator in that capacity from September 1982 to January 1986. Ms. Higgins then moved to the House of Representatives, becoming Chief of Staff/Administrative Assistant to Representative Sander Levin of Michigan, until joining the Clinton Administration.

In addition to her appointment as Deputy Secretary of Labor, Ms. Higgins agreed in November 1997 to serve as the Acting Chair of the National Endowment for the Arts until the President's nominee for that position, William J. Ivey, is confirmed.

Ms. Higgins is from Yankton, South Dakota, and attended Mount Marty College in South Dakota from 1965–67 before earning her B.S. in social science and education from the University of Nebraska in 1969. She was married for 16 years to William J. Higgins until his death in 1987, and has two sons: Liam, 23, and Kevan, 19.

SUMMARY STATEMENT OF SCOTT SHANKLIN-PETERSON

Senator GORTON. Ms. Shanklin-Peterson?

Ms. SHANKLIN-PETERSON. Thank you, Mr. Chairman. I appreciate the opportunity to testify before you and also appreciate the wonderful leadership which Kitty has provided to our agency during this interim period.

Before joining Jane Alexander's staff in 1994, I was executive director of the South Carolina Arts Commission for 13 years and on the staff for 8 years prior to that. So, I have brought to this position 21 years of experience of working with State and local leaders to develop the arts in South Carolina and also to promote arts education in our schools. So, I know firsthand how important the support of the Endowment is across the country.

I am honored today to be here to represent the President's request of $136 million. This $38 million increase will enable the Congress and our agency to help preserve the cultural heritage of

America's communities. It will help us expand our ArtsREACH Program. It will help us to enhance the learning opportunities in the arts in our schools and help provide access to the arts in communities across the country through our partnerships with the State arts agencies.

I wanted to take this opportunity to bring you up to date on several actions that we have taken to address three important areas. One is the broadening of the distribution of our grants. The second is the multistate projects that we are funding, and third is arts education. I also want to assure you that the Endowment is working to implement all of the important directives which were included in the 1998 appropriations bill and continuing the administrative reforms which our Chairman, Jane Alexander, implemented.

We are very concerned—and I know Members of Congress are concerned—about the inequitable geographic distribution of our funds. We have taken a number of steps to broaden the distribution.

ARTSREACH INITIATIVE

The first is that we recently announced the ArtsREACH Program which is a very promising new initiative and we are beginning a pilot this year with 1998 funding. The ArtsREACH Program is a new grants program for underserved States and it will be accompanied by targeted technical assistance to those same States from our staff. It was approved by the National Council on the Arts at its last meeting 3 weeks ago, and the new congressional members of the Council were very, very enthusiastic about it.

We want to broaden the geographic distribution of our funds. ArtsREACH will also help strengthen the role of the arts in communities and increase support for the arts.

We have designated 20 States which we consider to be underrepresented States. These are States that received five or fewer grants either this year or last year. We have put together an arts endowment technical assistance team. Our staff will go out to these 20 States and conduct grants workshops, talk about ArtsREACH, talk about the opportunities that are available through the Arts Endowment and work with the State and local arts agencies in doing this.

Some 2 weeks ago we had staff in Tennessee, and last week in Delaware, South Dakota, and North Dakota. This week one of our staff members is touring the State of Alabama with one of Senator Sessions' staff members and conducting workshops throughout Alabama.

ArtsREACH is also a grants program, and we will be providing small grants to arts organizations and communities in these targeted States for planning and for technical services. We hope to provide around 75 to 100 grants through ArtsREACH this year, and we hope that through ArtsREACH and the planning process that is involved with it we will make these areas more competitive not only for Arts Endowment funding, but also for funding from their State arts agencies, from their local communities, and from the private sector.

Americans for the Arts indicates, through some of the research they have done, that local arts agencies that have cultural plans

developed for their community are able to raise over 33 percent more in resources than communities that do not. This is what we hope to accomplish through ArtsREACH.

One example is in my home State in Rock Hill, SC, which is a small city. It is about 10 miles south of Charlotte, NC. In the late 1980's, they had 17 percent unemployment because they had 12 textile mills that closed. The mayor, Betty Jo Rhea, brought the community together and they developed a plan to use the arts and design to revitalize their downtown and the economy of Rock Hill.

In 1991, based on the strong plan that they developed, the Arts Endowment awarded a $150,000 grant to help them implement some of the projects that they had designed. They matched that with over $600,000 in support from the local government and also from the private sector. Now today they have outdoor sculpture throughout the community. They have a new arts center. They have artist studios on Main Street. They have an annual arts festival and performing arts series. They also have two booming industrial parks, and they have an unemployment rate of 2.2 percent.

So, Rock Hill has really become a community where people want to live, where they enjoy living, a community where industry wants to locate, and the former, Mayor Betty Jo Rhea, really credits the Arts Endowment with being the catalyst for this change in their community. That is the kind of initiative that we want to see happen through ArtsREACH and through the communities that we are working with.

We are proposing to allocate $20 million of the increase to ArtsREACH, and this would help us expand the number of communities that we are able to reach next year. It would also help us to be able to provide grants for the specific projects that are developed this year through the ArtsREACH planning process and also help us to provide grants through our regular direct grants program to organizations in these States. We believe a result of our staff working directly with the States and with the communities will assist them to develop competitive projects.

We have taken a number of other actions. We are recruiting very actively panelists from all of the underserved States. We are making sure that the panel appointments that we make are monitored on a State-by-State basis. We have added geographic impact to our grant review criteria, and we are working with the State arts agencies. This year we developed a new folk arts initiative and we are providing grants to over 30 States for folk arts projects.

In addition, our Millennium projects will be designed to serve all 50 States.

MULTISTATE GRANTS

We are also making sure of the grants that we do award, no more than 15 percent of them are to any one State.

I also wanted to comment on our multistate grants. Congress has asked us to establish a category of multistate grants that serve more than one State or grants which have a national impact. This is one of the very important roles that the Arts Endowment can play. This year we will be providing approximately 300 multistate grants to support activities in more than one State, and these

grants help support artists who tour to other States, and also help support broadcast opportunities.

One such example is the National Dance Project which was awarded to the New England Foundation in Boston. It is a $1 million grant that appears to have gone to Boston but actually supported 117 dance performances in 32 States last year.

ARTS EDUCATION

Arts education, as you know, is one of our priorities. We have a new brochure which you have in front of you that explains the Arts Endowment's programs in arts education and our position with arts education.

You also have a copy of Principal magazine which we would like to enter into the record.

Senator GORTON. We will enter into the record that magazine, and I assume you want the New York Times article about Grand Forks and any of the other publications you would like to be in the record will be included.

Ms. SHANKLIN-PETERSON. Thank you very much.

[CLERK'S NOTE.—Due to its volume the above mentioned magazine, Principal, is being retained in subcommittee files.]

PREPARED STATEMENT

Senator GORTON. We have a partnership with 140 different organizations to promote arts education, and the Elementary and Secondary Principals Organization is one of those organizations. They have published this magazine that is totally devoted to arts education this year as result of this work.

So, we appreciate your support and hope that you will be able to support the President's recommended increase.

[The statement follows:]

PREPARED STATEMENT OF SCOTT SHANKLIN-PETERSON

Thank you Mr. Chairman, and Members of the Interior Subcommittee. I appreciate the opportunity to testify today about the importance of the National Endowment for the Arts.

As the Senior Deputy Chairman, I am the Endowment's chief operating officer in the absence of a Senate-confirmed Chairman. As you know, our distinguished former Chairman Jane Alexander retired last October, and President Clinton has since nominated William J. Ivey of Tennessee to take her place. Mr. Ivey is the longtime Director of the Country Music Foundation in Nashville. His appointment is currently pending before the Senate, and we hope to have him on board very soon.

In the interim, a Federal law known as the Vacancy Act requires the White House to appoint an Acting Chairman, and that distinguished person is the current Deputy Secretary of Labor, Kathryn (Kitty) O'Leary Higgins. She is with us here today.

Before joining Jane Alexander's staff in 1996, I served as the Executive Director of the South Carolina Arts Commission for thirteen years, and was on the staff for eight years prior to assuming the director's position. So I bring to the Endowment 21 years of working experience with state and community leaders, educators, artists, and arts organizations, in a primarily rural state, working to develop the state's cultural resources and helping to ensure that the arts are a basic part of each child's education in South Carolina.

I am honored to be here today to support the President's request of $136 million for the National Endowment for the Arts in fiscal year 1999. This proposed funding increase will enable the agency to move forward with three distinct initiatives: (1) address serious concerns raised by Congress about the geographic distribution of direct NEA grants, (2) strengthen the Endowment's leadership efforts on behalf of arts education and preserving our cultural heritage, and (3) help ensure broad access to the arts, strengthen arts education programs and celebrate our living cul-

tural heritage through increased grants to the states and regions. In the first instance, we are requesting $20 million in new funds to support a major expansion of the pilot program ArtsREACH, which will assure much greater NEA support in the form of direct grants to communities that have received limited funding in past years. I will discuss this in more detail in a moment.

It is a fact that the geographic impact of direct NEA grants has declined considerably in recent years because of both reductions in our budget, and the increased amounts allocated to the states. In fiscal 1998 for example, direct funding available for arts organizations declined by more than ten percent—from $54.2 million to $48.6 million. Even though the overall agency budget declined by only $1 .5 million an additional $4.1 million of the remaining amount was allocated to the states, thus increasing their share from $28.3 million to $32.4 million. The inevitable result of these cuts and reallocations is that fewer and fewer organizations in all of the states receive direct grants each year.

The increased competition for funding has caused many fine organizations to stop applying, and this is a very serious problem. There are excellent cultural resources in every state which we should be supporting, but when they don't apply, we can not assist them.

Mr. Chairman in an effort to remedy this problem, we have created ArtsREACH. This year under ArtsREACH, we are providing small grants to arts organizations and communities in targeted states for planning and technical services. Arts Endowment staff are traveling to each of these states to conduct grant workshops, offer technical assistance, and provide other advice. We are working closely with our state and local arts counterparts. The overall program objective is to increase direct NEA funding in under-represented communities. Grants will be used to help local leaders develop plans to use the arts to preserve their local heritage, strengthen their arts education programs, revitalize their communities, and expand support for arts organizations. You may be interested to know that this week one of our staff people, accompanied by state and local officials, as well as a staff member from the office of Senator Jeff Sessions, conducted a series of ArtsREACH training sessions in four Alabama cities.

Next year, the President's budget request would accommodate a major expansion of ArtsREACH communities, and would reserve new grant funds for specific project applications submitted by those communities. Again, we are asking for $20 million dollars in new funding to support projects in the targeted ArtsREACH states.

ArtsREACH was recently approved by the National Council on the Arts at their meeting a few weeks ago, and I am pleased to report that the new Congressional members of the Council gave their wholehearted approval to the program.

Mr. Chairman, the President's budget would also support the opportunity for Americans of all ages to enjoy educational experiences in the arts. This year, over 150 projects supported directly by the Arts Endowment are enabling children in grades K–12 to experience orchestral music, dance, theater, and other performances. Through our partnerships with the state arts agencies, we are helping to ensure that the arts become a basic part of each child's education through curriculum development, arts education research and teacher training. In addition, our partnerships with the states support artist residencies and artist-teacher collaborations in the schools of 2,400 separate communities. Those initiatives are an essential piece of the educational process, and they should be expanded.

Mr. Chairman, as you know, the 1998 appropriation bill contained a number of important structural changes in the way the Endowment does business. Today I want to assure you that we are working very hard to implement these changes.

First, regarding the issue of grant distribution, and the directive to give greater priority to under-represented areas: as the legislation requires, we are limiting awards to organizations in any one state to 15 percent of the total amount available, with the understanding that grants with multi-state impact are accounted for separately and are exempt from the limitation. As the legislation requires, we will provide a complete report to Congress on these distributions at the close of the fiscal year.

In addition to our ArtsREACH program initiative, the Endowment is taking a number of other actions to assure broader distribution of grants. Merit review panelists are being actively recruited from under-represented states, and panel appointments are being monitored on a state-by-state basis to ensure all states are represented during the year. We have added "geographic impact" to. our grant review criteria. We created a new Folk Arts Infrastructure Initiative which will provide fiscal year 1998 grants in more than 30 states, and our fiscal year 1998 Millennium projects will be designed to serve all 50 states.

One of the unique national roles of the Arts Endowment is to encourage the sharing of artistic resources across state lines through our multi-state grants. In 1998,

we will award in excess of 300 multi-state grants totaling approximately $17 million to arts institutions of all sizes located in most of the states. These multi-state grants support national broadcasts, dance and theater touring, and many other projects bringing benefits to Americans all over the country. For example, the National Dance Project, a $1 million Leadership Initiative awarded to the New England Foundation for the Arts based in Boston, Massachusetts, supported 117 dance performances in 32 states last year. We are currently developing a database that will enable us to do a better job of tracking these multi-state grants, and to keep you better apprised of the work we are supporting in your states.

Second, regarding the National Council on the Arts: the reconstituted Council, complete with Members of Congress, met in late February, and I am happy to report that all six Congressional Members—Representatives Nita M. Lowey, John T. Doolittle, and Cass Ballenger; and Senators Richard J. Durbin, Susan M. Collins and Jeff Sessions—have now been appointed. Four of the members participated in the meeting. We appreciate having their advice and counsel, and we hope that their involvement in the agency's operations will lead to the development of constructive relationships between the agency and Congress.

Third, within the administrative area of the agency: the appropriations legislation directed the Endowment to develop a proposed restructuring of the administrative budget. We have identified certain activities which directly support our interaction with the arts field and programmatic activities as "Program Support." These include the costs of conducting review panels, National Council on the Arts meetings, application guidelines, programmatic research and accessibility activity.

We are mindful of the concerns expressed by some in Congress about the Endowment's expenditures on salaries and expenses, and we have attempted to illustrate more clearly in the budget the activities conducted by the agency. As an independent Federal entity, the National Endowment for the Arts is subject to all of the operating procedures and regulations imposed on executive branch agencies to ensure the proper use, control and accountability of taxpayer dollars. The agency must retain sufficient professional staff to comply with the laws.

Fourth, regarding the directive that the agency give priority to arts education and enrichment: the agency agrees that the investment in arts education and educational enrichment projects is a priority, and is requesting additional funds for that purpose. This year, we are spending $9.3 million through our Education and Access grant category. In addition, we will allocate nearly $2.5 million to the state arts agencies, over and above the 40 percent set-aside, to help make the arts basic in pre-K to 12 education. They match our funds with approximately $28 million. A recent survey shows that together we supported 7,800 projects, in more than 2,400 communities, involving thousands of teachers and artists.

Finally, the appropriations legislation gave the Endowment authority to "solicit and invest" funds. I am pleased to report that the agency has established a separate interest bearing account within the U.S. Treasury and continues to receive private sector funds for projects jointly sponsored by the Endowment and other organizations. In addition, agency staff are examining funding augmentation strategies, and evaluating the staff resources that would be required for putting such strategies in place.

I wish to note for the record that the agency continues to hear expressions of concern from representatives of arts organizations about the prospect of the agency competing with their own fund-raising and development efforts. Arts organizations pay for their projects from a variety of funding sources, and they view the Endowment in its historical context as a source of assistance, rather than as a competitor. This continues to be a sensitive issue in the nonprofit arts funding field.

In their entirety, the structural changes enacted in the fiscal 1998 appropriations legislation were quite substantial. When added to the changes imposed both administratively and by Congress throughout the 1995–1996 period, you can see that the NEA is a very different organization from just a few years ago.

Mr. Chairman as you know, the National Endowment for the Arts was created by Congress to ensure that our national government would support the nation's culture in all its richness, in concert with the private sector, the states and communities across the land; investing in creativity and imagination; leading in arts research, arts education, convening and networking; and catalyzing private investment.

I urge you to make the Federal government a stronger partner in this endeavor. With your help we will reach the under-represented communities, providing access to the arts for all citizens and encouraging creativity and artistic inspiration among the nation's youth; and we will take the lead in helping communities protect the nation's living cultural heritage for the benefit of future generations. This has been America's century after all, and we as a nation should take time to reflect upon our

achievements in the arts, and celebrate America's cultural legacy at the turn of the millennium.

Mr. Chairman and members of the Subcommittee, I hope I can count on your support. Again, I am pleased to have this opportunity to speak with you.

BIOGRAPHICAL SKETCH OF SCOTT SHANKLIN-PETERSON

Scott Shanklin-Peterson has been named as the Senior Deputy Chairman of the National Endowment for the Arts and is currently in charge of day-to-day operations at the Endowment. She will act as Senior Deputy Chairman until a replacement for former Chairman Jane Alexander is nominated by the President and confirmed by the Senate. Ms. Shanklin-Peterson previously served as the National Endowment for the Arts Deputy Chairman for Grants and Partnership and was responsible for the agency's grants to organizations, artist fellowships, leadership initiatives, and partnership activities with state arts agencies, regional arts organizations, and other federal agencies. In addition, she worked closely with former Chairman Jane Alexander on the reorganization of the agency following Congressional budget cuts in 1996 and on the creation and implementation of the American Canvas Initiative throughout the past three years.

Prior to her tenure at the Endowment, Ms. Shanklin-Peterson served as Executive Director of the South Carolina Arts Commission for 13 years where she planned, developed, and directed all program and administrative functions of the state arts agency. Under her leadership, the South Carolina Arts Commission received national recognition for their leadership in arts education, rural arts development, and media arts. She has also been the chairman of the Board of Directors of the Southern Arts Federation, and on the boards of the National Assembly of State Arts Agencies and the American Council for the Arts.

Ms. Shanklin-Peterson received her B.A. degree in Visual Arts from Columbia College and is a graduate of Harvard University's Institute of Arts Administration. She is married to Terry Peterson and has a son who is a professional musician in Los Angeles and a daughter who attends the College of Charleston.

NATIONAL COUNCIL ON THE ARTS

Senator GORTON. I assume that you told those imaginative constituents of mine that regrettably the 15-percent rule disqualifies them? [Laughter.]

Ms. HIGGINS. But we applaud their ingenuity.

Senator GORTON. I wonder if each of you could tell me a little bit more about how the dynamics of the National Council has changed with both the reduction in the number of its members and with the six Members from the House and the Senate it now includes. Did all six of them attend that first meeting?

Ms. HIGGINS. Actually four were able to attend for part of the first meeting. Senator Durbin and Senator Sessions were there. Senator Collins, unfortunately, was not. Congresswoman Nita Lowey and Congressman Cass Ballenger also participated.

Frankly one of the concerns—I appreciate your question—that was raised by some of the current members of the Council was a problem that they saw in the reduction of size.

First of all, I think that the addition of the congressional members is going to promote a very healthy dialog on both sides. I think it is fair to say the members learned some things in terms of how the Endowment operates that they were not aware of before. They had some very good recommendations about how we could make Congress more aware and members in particular more aware of what was going on in their districts, and I think we want to work more closely with you on that.

One of the concerns that was raised about the reduction in size was that some of the disciplines that the Endowment has to deal with are now not represented on the Council. For example, dance,

literature, and design are not currently represented. The Council is made up of people with a broad range of expertise, but they now see some holes in the Council membership. So, we were hoping that maybe we could take another look at expanding the Council a little bit to try and address some of that.

Senator GORTON. My suggestion would be that that would be more likely to be found acceptable if the congressional members of the Council were to advocate it.

Ms. HIGGINS. I think they were hearing that as well, but we should talk further about that.

But again, I think the dialog was very constructive. There was a little nervousness on both sides to begin with, but as we have talked about it, I think there is a great benefit for demystifying, if you will, the work of the Endowment, since in fact, it has a very open process in the way that grants are selected. They have panels made up of people from all around the country who really go through a very thorough process. I think that was new to the Members of Congress. I think they appreciated that.

FIFTEEN PERCENT CAP FOR STATES

Senator GORTON. Now, the 15-percent rule from the point of view of reducing grants in a given area impacted only New York?

Ms. SHANKLIN-PETERSON. New York had the largest percentage, of course, because so many of the grants that are awarded to New York are multistate grants that really serve many other States as well. So, when you are figuring that percentage that is taken into account. Of course, we are not yet at the end of our year for awarding grants.

Senator GORTON. But you did not have any other States that were over 15 percent before that?

Ms. SHANKLIN-PETERSON. Before that? California might have been, but I do not think so.

Senator GORTON. Now, what kind of impact will that have on New York and on New York arts agencies?

Ms. SHANKLIN-PETERSON. Well, when we get to the end of the year, we can answer the question a bit better, but as I was saying, many of the grants that are awarded to New York are multistate grants. So, those are automatically subtracted from the cap for New York. They are not counted in the 15 percent.

Senator GORTON. You are going to have to be very careful with that in my view. How much even your people in South Carolina are going to be impressed by a grant that goes to New York, some of which ultimately finds itself to South Carolina, is in my view an open question. That was not an argument that impressed members when we were debating this whole issue last year.

ARTSREACH INITIATIVE

My own impression is that the way you have expanded your outreach and you are dealing especially with these 20 States that had fewer than 5 grants is something that can do nothing other than to strengthen support for the Endowment. But I believe you will get an awful lot more credit for one grant that goes directly to an entity in the State than one where even an equal number of dollars

sort of trickle down from a New York or a California grantee to someplace in one of these smaller States.

Ms. HIGGINS. As Tip O'Neill would say, all politics is local.

I think it might be useful, Senator, to include in the record this chart which shows the States that are targeted for outreach.

Senator GORTON. I think it would be very important to include that in the record and it will be so inserted.

Ms. HIGGINS. It shows over the last 2 years those States who are essentially underfunded and where the concentration is going to be in terms of this new initiative.

[The information follows:]

TARGET STATES ELIGIBLE TO APPLY FOR ARTSREACH GRANTS IN FISCAL YEAR 1998

Montana, Idaho, Nevada, Utah, Wyoming, North Dakota, South Dakota, Nebraska, Iowa, Kansas, Oklahoma, Arkansas, Tennessee, Mississippi, Alabama, Indiana, West Virginia, South Carolina, Delaware, and Rhode Island.

UNDERSERVED STATES

Senator GORTON. Now, a combination of that rule and of this new emphasis obviously has shifted I think the kind as well as the direction of your grants. Give me a brief summary of that. There is only so much money, and as you have pointed out, it is a relatively limited amount of money. If there is more outreach to these underserved States, is there also a change in direction as to the kind of grants there are, the elements within the arts at which they are aimed, and if so, who are losers in this process?

Ms. HIGGINS. Scott will know this better than I, but my impression is that one of the objectives of ArtsREACH, probably the principal objective, is to get more organizations to apply. I think what we see in the States that are targeted for ArtsREACH is in fact a smaller number of organizations applying. So, the effort to go out and provide technical assistance and to meet with local groups is really to say to them, the funding has been cut but in fact there is money still available and that we really need to encourage you to apply.

Senator GORTON. Make more work for yourselves.

Ms. HIGGINS. One of the things that frankly I have been impressed by—we are talking about very small grants. I was looking, for example, at the grants that were just recently awarded in your State. We are talking about a variety of organizations, everything from native American folk projects to money going to Spokane for musical presentations there. But we are talking about very small grants in many cases. It is really money that is sort of a catalyst.

So, you are right. The pie is much smaller but I think there is an effort——

Senator GORTON. To be an imprimatur of being able to say NEA has helped us.

Ms. HIGGINS. Well, it gives them a national recognition which it is my sense is very valued by these communities and these local projects. So, there is still a wide diversity of programs being funded.

This ArtsREACH initiative is a pilot. I think we are trying some things this first year to see if we can stimulate some more activity and more interest.

Ms. SHANKLIN-PETERSON. One of the major problems we faced is, with the 40-percent reduction in our funding, many of the organizations that had been applying to the Arts Endowment primarily from the more rural States thought they would not be competitive.

Senator GORTON. And so they just did not apply.

Ms. SHANKLIN-PETERSON. And so they did not apply, and so we really need to generate applications from——

Senator GORTON. So, in a sense, you would rather have more grantees even though it means somewhat smaller amounts.

AMOUNT OF GRANTS

Ms. SHANKLIN-PETERSON. This year we will be making more grants. They are smaller grants, but we will be making more grants to more organizations. And that is a very strategic move.

Senator GORTON. Because the amounts going to the State agencies has increased, has it not?

Ms. SHANKLIN-PETERSON. It also has increased. That is right.

STATE ARTS AGENCIES

Senator GORTON. Do you have any idea when the money goes to these State agencies, how they use it? Has that increase in support for the State agencies had a positive result?

Ms. SHANKLIN-PETERSON. I think it has had a very positive result in that the States themselves are now allocating 12 percent more in appropriations this year to support the arts, and we are working very closely with the State arts agencies in their planning and their reporting procedures. Also, we do know how their funds are spent in each of the States.

Senator GORTON. Do many of the State agencies communicate with you with respect to applications from their own States? Is there any coordination between what you do, say, in Iowa and what the Iowa entity does?

Ms. SHANKLIN-PETERSON. That is one of the things that we are looking at with ArtsREACH because we will be working with the State arts agencies when we visit those States. So, they will be hearing what it is that their constituents might be applying to the Endowment for at the same time that our staff is working with them as well.

FISCAL YEAR 1999 FUNDING PRIORITIES

Senator GORTON. As I said in my opening remarks, as much as you would like it and as much as some members of this committee might like it, the kind of increases in the President's budget just simply are not going to be possible.

If you got, say, a $4, $5, or $6 million increase, what would your highest priorities be?

Ms. SHANKLIN-PETERSON. Our first priority would be ArtsREACH because we are stepping out there this year hoping that we will be generating more applications from these areas, and we want to be able to have the resources to support them. So, I think it is very necessary that we have additional funds to do that.

OFFICE OF ENTERPRISE DEVELOPMENT

Senator GORTON. I have here a note about the Enterprise Office. We have not seen anything with respect to that to find other methods of support. What is happening there?

Ms. SHANKLIN-PETERSON. As you know, Jane Alexander had developed the Enterprise Office, and we do have one staff person that is working there. Our legislation this year gave us the authority to solicit and invest private funds, but we only have one staff person there. We are looking at opportunities. We have been looking at some of the things that the other agencies do, particularly the Smithsonian, which I think raises around $50 million a year, but they have 35 people in a development office, plus they have other development staff in each of the museums. So, it takes a lot of resources to raise those additional funds.

Senator GORTON. Are you getting resistance from the arts community on the ground that if NEA went out to raise money, it would come out of the same pocket that would otherwise give money directly to——

Ms. SHANKLIN-PETERSON. They are very concerned about that and we are very concerned about that because what we need is for the net amount that is available to increase. We do not need to be taking money away from them. So, whatever we do in this area, we need to do together. This is something that hopefully——

Senator GORTON. I think you do. You do not really believe that support for the arts in the United States as a whole is inflexible, do you, and if one group gets a dollar, another group is going to lose a dollar?

Ms. SHANKLIN-PETERSON. Hopefully together we will be able to increase the net amount that is available for the arts.

Ms. HIGGINS. Senator, if I could comment as well. I think this is a priority for the administration. We have had some preliminary discussions on the best way to approach this. I know there are members of the Council who are very interested in helping to think this through. Bill Ivey has had conversations with the White House on this. I think this is one of those issues that is going to be a high priority for him as the new Chairman when he is confirmed. There is, as you have recognized, a sensitivity among some of the current grantees and those out there who rely on the NEA that—because our grants are so small, they do rely on many other sources of funding.

But I think it is encouraging. Again, we are seeing increased support for the arts at the State level and we may want to make that part of the record as well. So, I agree with you. This is not a zero sum game and the question is how we can really create the kinds of partnerships that are going to expand the participation at all levels for the arts.

Senator GORTON. What about Jane Alexander's comment last year with respect to the commercial entertainment industry and whether or not there was money available there? Has anything been done to followup on that suggestion?

Ms. SHANKLIN-PETERSON. I think this is one of the areas that Bill Ivey will be interested in reviewing. This is an area that he has experience working with, coming from the Country Music

Foundation. So, I think it is best to wait and see what suggestions he has in that particular area.

HOUSE APPROPRIATIONS HEARINGS

Senator GORTON. Now, you have had a hearing with the House subcommittee, which obviously has been more troubling to you in the past than this subcommittee has. Can you share with us—were you optimistic in comparison to last year with the reception you received there?

Ms. HIGGINS. It was my first hearing for the Endowment. It was very, very cordial. Obviously, it was Sid Yates's last hearing, so it was a bit nostalgic.

I think Congressman Regula was very supportive. I think there is still a question as to whether they are going to actually be able to report out an appropriation. He was a bit noncommittal on that.

We had some very good questions from Congressman Miller from Florida who was concerned about what was going on in his district.

Again, I think the participation of members on the Council—Congressman Ballenger in particular had some very constructive suggestions—will be a positive benefit as members look at the value of continuing this investment. So, I was encouraged, yes.

Senator GORTON. Were you there?

Ms. SHANKLIN-PETERSON. Yes; I was there as well and I was encouraged as well. I think in general the House committee has been supportive of the Arts Endowment, but of course, they face concerns from the leadership of the House about the National Endowment for the Arts. Whether they will be able to report out funding for us, I think, is a question at this point.

Senator GORTON. Well, as you know, last year in the midst of that controversy, I individually polled every member of this subcommittee on the subject and found not a single member on either side who wanted to zero out the agency. I have not done that this year. I have not really seen the need to do it. The membership of the subcommittee is the same, and I rather suspect that the attitudes will be the same.

We would be helped greatly, however, if the House came over with something other than a zero. [Laughter.]

Ms. SHANKLIN-PETERSON. We would be too.

Senator GORTON. With that, we are joined now by Senator Cochran who has certainly been an eloquent supporter of the Endowment, and I will ask him if he has either a statement or a question for any of you. I am just about finished.

REMARKS OF SENATOR THAD COCHRAN

Senator COCHRAN. Well, thank you, Mr. Chairman. I simply want to encourage the administrators of the program to continue to be helpful to those of us who try to ensure that there are funds available for appropriate activities of the National Endowment for the Arts, to be aware of the role that the State and local agencies can play in this, and to keep an open line of communication with those who know the local interests well before making grants and selecting recipients for awards and the like by the Endowment.

My experience is that in our State we have had some outstanding leadership, very thoughtful leadership in the arts. We are very

proud of that and we would like to continue to see the right kind of attitude reflected toward government support for the arts.

Having said that, there is no easy answer to some of the problems and dilemmas of the past. We regret so much the controversies that have swirled around the Endowment in the last several years, but we think that we are back on track now. With your continued sensitivity to the problems and how to deal with them, we will be able to see that there is appropriate support where it is needed.

We appreciate your attention to education programs too in our State that involve arts education. I know that is not a principal responsibility of the Endowment, but nonetheless, there are some opportunities where you can enhance learning and enrich lives of students through appropriate program support and that is very important too. I think the former Chairman did an excellent job—Jane Alexander—in identifying some of those activities and by her presence in our State, she was able to illustrate how exciting learning can be through arts appreciation.

Mr. Chairman, thank you very much for your thoughtful leadership in this area, and I look forward to working with you and trying to come up with the right level of funding and language, if needed, in our bill. Thank you.

ARTSREACH INITIATIVE

Ms. HIGGINS. Senator, if we could just comment. We were talking before about the two priorities for the request for increased funding are both ArtsREACH, which is an effort to do more in States where we have not had as many grants funded. I would point out that both Mississippi and Arkansas are two States where we are going to have a special emphasis as part of this initiative.

Senator GORTON. Well, very good. You just anticipated my next question. [Laughter.]

Ms. HIGGINS. And also arts education. Those are the two principal focuses of the request for increased funding.

Senator COCHRAN. Thank you.

Senator GORTON. We are joined by Senator Bumpers on, regrettably, his last round on these areas, and I would love to hear from him.

REMARKS OF SENATOR DALE BUMPERS

Senator BUMPERS. Not so regrettable to me. [Laughter.]

Ms. Higgins, let me just echo what Senator Cochran said about Jane Alexander. She was a superb person for this job and she did, in my opinion, an excellent job in the face of a lot of hostility from certain quarters in the Congress about the National Endowment for the Arts. Based on what I know about you, I am sure you will do an excellent job.

I really came by this morning, Mr. Chairman, not to delay the hearing any but to show my strong support for both the humanities and the arts. I am a great believer. There are very few nations who spend such a minuscule portion of their budget on arts and humanities.

In my first trip to the Soviet Union in 1971, I was absolutely amazed by the extent of the government's involvement in the arts.

Of course, everything there was state funded, but it was amazing how much of their budget they did put into the arts, the restoration of their historical places and so on. That is really the first brush I had with government being involved in that kind of thing.

It is really a tragic thing that one person named Mapplethorpe caused as much trouble for the Nation as he did and for the programs that I really hold dear. I am a former bandsman, glee club member, star in the senior-class play, all those things. [Laughter.]

Senator Cochran and Senator Gorton have heard this speech many times, but it is always worth repeating. When I was Governor and went to the prisons, to visit with the inmates, I never found anybody down there with a college education, nobody that was a homeowner, nobody that played in the high school band, and nobody that ever had any brush with drama. I am just telling you that was a personal experience. Everybody does not have that experience, but to me that spoke volumes. That is really all I need to know about the value of those particular things, education, the arts, and so on.

So, I would be willing to take some of the $10 billion surplus—like one-half of it—and put it into the arts and humanities. [Laughter.]

Ms. SHANKLIN-PETERSON. Thank you.

Senator GORTON. You are very popular with this crowd today, Senator Bumpers.

Well, I thank you both for being here. I join with you in hoping that the authorizing committee will act promptly on Bill Ivey's nomination and that we will have someone in charge.

As I told you at the beginning, we face the same difficulties with the total amount of money the subcommittee will have this year that we have had in the past. But we do appreciate the NEA's prompt response to the concerns which Congress showed in that bill last year. I think the value of having Members of Congress on the Council is going to be immeasurable from the point of view of the support that you get here.

With that, I thank both of you. We will dismiss you and we will call the humanities people up.

NATIONAL ENDOWMENT FOR THE HUMANITIES

STATEMENT OF WILLIAM R. FERRIS, CHAIRMAN, NATIONAL ENDOWMENT FOR THE HUMANITIES

Senator GORTON. We are now with the National Endowment for the Humanities that has a newly appointed Chairman, Bill Ferris, whom I met yesterday and who told me of his long association with you, Senator Cochran. I wonder if you would like to say a few remarks in introducing him to us.

Senator COCHRAN. That is very kind of you, Mr. Chairman.

I am delighted to welcome my good friend, Bill Ferris, to his first hearing as Chairman of the National Endowment for the Humanities. It is a happy moment for all of us in Mississippi to contemplate his elevation to this position of responsibility and nationwide trust for guiding a very important activity, important to everyone in America. He has some great ideas. We have heard some of them and I am sure he will talk about them in more detail this morning.

But he is so well qualified and such a good choice for this important job at this moment, and we are delighted that he is here and wish him every possible success and every degree of satisfaction that is possible in carrying out the duties as Chairman of the National Endowment for the Humanities. We are all honored by his acceptance of this position.

Senator GORTON. He has more money and less controversy than his immediate predecessors here at this hearing, but still some very serious challenges facing him.

So the first time around, Mr. Chairman, we would like to hear from you.

SUMMARY STATEMENT OF WILLIAM R. FERRIS

Mr. FERRIS. Thank you, Senator Gorton. Thank you, Senator Cochran.

Mr. Chairman and distinguished members of the subcommittee, I am honored to come before you today as the new Chairman of the National Endowment for the Humanities. I am very excited because I feel this is a time of great opportunity for the humanities, and we have much to offer at the Endowment.

Our lessons that we draw from literature, from history, philosophy, archaeology, and folklore have much to teach us about the world and about our place in it. We cannot help but be inspired by "Baseball," by "The Civil War," by "The West," topics that every American loves, and these are but three of the great stories that the NEH has shared with the Nation through the magic of filmmaker Ken Burns and through the generosity of Congress. These films will be played over and over again in American classrooms and will continue to have unlimited educational value. As we enjoy these films and learn from them, it is important to remember

that they are the results of years of scholarship and of preservation, all of which is supported by NEH.

As we move toward the millennium, NEH hopes to reconnect the humanities with the life of every American through their family history, their stories, their regional worlds. We want to bring the humanities back home. This is what I have done for over 30 years as a folklorist and this is what I will continue to do as Chairman of the NEH.

As Director of the Center for the Study of Southern Culture at the University of Mississippi, I learned firsthand the importance of preserving the stories of a region so that her people do not forget their roots, and I also know the overwhelming interest that people throughout the country have in learning about their own regions.

As part of our rediscovering America initiative, we plan to create 10 vital humanities centers that will be located in each region of the Nation, providing a direct link between NEH and every American. These centers will support teaching, research, and public programs in their region. Some $5 million of our total budget of $136 million will be used to create these centers. These dollars will prime the pump for what I envision as a strong public/private partnership.

I have seen how this can work. The Center for the Study of Southern Culture, which began 21 years ago, would not have happened without NEH support. With your support, you can ensure that the same story will be told in every region of our country.

This "Encyclopedia of Southern Culture" is a concrete example of how we helped preserve the culture of one region. After seeing over 100,000 copies sold, I cannot begin to express the importance this book has in the hearts of southerners and of all Americans.

Through this initiative, NEH will seek proposals from our Nation's strong cultural institutions, museums, colleges, universities, and libraries, that will become clearinghouses for projects like encyclopedias, public programs for children and the elderly, and cultural tourism opportunities.

There are other important initiatives described in our budget that I would like to highlight. NEH will continue to focus on education and technology. This last fall NEH, along with MCI and the Council of Great City Schools, established EDSITEment, a new website that identifies the 22 best educational websites in literature, history, and other humanities subjects. As you can see, you can quickly click on an individual website and teachers and students can immediately access the very best resources along with teaching guides and curriculum resources that the Endowment has now made possible. This is a project that will continue to grow in the coming years and benefit teachers and students throughout the Nation. Teachers are thirsty for this information and this site serves over 20,000 users each month.

Another project of our Teaching With Technology Program supports software projects on topics that range from the Civil War to the Supreme Court to Ancient Greece and Rome that are being used extensively in the classrooms and CD–ROM's like this one on the "Valley of the Shadow," which are accessible both in CD form and on the website, introduce students to the Civil War in a way that was never before possible.

Because teachers need to be trained in how to handle this technology, our schools for a new millennium will help K through 12 teachers use CD–ROM's and the Internet in their classes, as well as videos like this wonderful new video on "Liberty" that focuses on the American Revolution and the roots of our experience as Americans.

PREPARED STATEMENT

All of these projects are based on the scholarship that NEH has supported for the last three decades. This is great work and with your support we can continue to do it.

I am honored to be a part of this process and to be before you today, and I want you to know that I look forward to working personally and closely with you and all of your colleagues.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF HON. WILLIAM R. FERRIS

Mr. Chairman and Committee Members: I am deeply honored to appear before this distinguished Committee as the Chairman of the National Endowment for the Humanities. I can assure you that I share this Committee's abiding interest in the Endowment's important mission, and I look forward to working with you over the coming months and years to add to NEH's remarkable record of achievement and service to the American people.

I come before you today to testify on behalf of the Endowment's fiscal year 1999 budget request. We at the Endowment are, of course, greatly pleased that President Clinton has demonstrated his continuing commitment to the agency by requesting an appropriation of $136 million for NEH for the coming fiscal year. Although this is an amount that would increase our funding substantially over the current year's budget of $110.7 million, it is a sum that would still be significantly lower than the $172 million appropriated for fiscal year 1995. Before turning to a discussion of specific aspects of our budget request, however, I would like briefly to discuss with you some of my plans and visions for the Endowment.

Throughout my entire professional career as a teacher, scholar, and administrator, I have been a strong supporter of NEH, an institution that I am convinced makes immense contributions to the educational and cultural life of our nation. To a certain extent, my career also illustrates the important role the Endowment plays in nurturing scholarship, education, preservation, and public programming in the humanities across the country. Please allow me a moment to explain.

Over the years, I have applied to virtually every NEH grant division, and I have been fortunate to win grants from a number of them. As a young scholar and teacher fresh from my doctoral studies in folklore at the University of Pennsylvania and as a professor, first at Jackson State College in Mississippi, then at Yale University, and finally at the University of Mississippi, grants from NEH helped me focus and deepen my teaching and research interests in the culture and folkways of the American South. Later, along with my colleagues at the University of Mississippi, I was successful in winning funding from the Endowment to help establish the Center for the Study of Southern Culture and then to use the Center to administer a broad range of humanities programs concerned with the history and culture of the South. With NEH funding, the Center was able to establish an undergraduate degree program in Southern Studies, to research and publish the Encyclopedia of Southern Culture, to conduct seminars for teachers on the literature of William Faulkner, to renovate an ante-bellum observatory on the Ole Miss campus to use as the Center's main facility, and to sponsor humanities programs for general audiences. Moreover, because NEH's peer review system of assessing the quality of grant applications is nationally recognized and respected, the Endowment's grants also acted as a "seal of approval" that helped us to attract additional money from corporations, foundations, and other funders.

Over my career, I have also had the pleasure of working with several of the state humanities councils—which, as you know, work in tandem with NEH to bring the humanities to all Americans. I have a deep appreciation of the important cultural and educational role the state councils play, and I look forward to continuing my close association with them during my chairmanship.

The Center for the Study of Southern Culture is a dream that has been realized, and it could not have been realized without the support of NEH. Make no mistake: The Endowment was absolutely crucial in helping an institution from a predominantly rural state such as Mississippi build enduring world-class humanities programs that reach a broad spectrum of citizens—students, scholars, and the public alike. This is a story that I intend to tell repeatedly during my tenure as Chairman, and it is an outcome I will try to replicate elsewhere in the nation as much as possible.

Now, as the Chairman of NEH, I would like to draw on my nearly two decades of experience as director of a center concerned with the study of the South to assist colleagues at other institutions throughout the nation in developing comprehensive humanities programs focused on the culture and heritage of their regions. I have found that people everywhere define themselves, at least in part, through the places where they are born, where they grow up, and where they live. It is this relationship—which the writer Eudora Welty calls "sense of place"—that shapes each of us in deep and lasting ways. As President Clinton also reminded the nation recently in his State of the Union address: "Our culture lives in every community, and every community has places of historic value that tell our stories as Americans."

The Endowment will help the people of the United States learn more about the special heritage of where they live and to reaffirm their common bonds as Americans by setting in motion a new, broad-based initiative—called Rediscovering America Through the Humanities. As we discussed in our budget submission, this initiative will employ a variety of formats and will involve all programming areas of NEH. Its primary component, for which we are requesting $5 million in start-up funds in fiscal year 1999, is a special grant competition for projects to establish regional humanities centers around the country. Each of these centers will be encouraged to support a wide array of activities—education, research, programs for public audiences, preservation—that bring the disciplines of the humanities to bear in exploring the region's distinctive culture. In developing their programs and resources, centers will also be expected to place special emphasis on technology to assure maximum access and impact. We hope that each center that is established will ultimately serve as a kind of "cultural hub" for its region; in this way, the center will help to broaden citizens' awareness of, access to, and participation in the humanities—overarching goals that I particularly wish to pursue during my tenure as NEH Chairman.

In framing this initiative, I have sought the advice of many people within the humanities community, including, most importantly, the National Council on the Humanities, the state humanities councils, and the superb staff of the Endowment. In addition, I plan to convene a small group of scholars who have studied this subject closely to share their knowledge with us. I also would greatly appreciate any suggestions the members of this Committee have that will help the Endowment's new initiative to prosper.

We realize, of course, that NEH cannot and should not be the sole source of support for such an ambitious effort. This is why I am insisting that the initiative move forward as a public- private partnership. We plan to work in close partnership with the state humanities councils, as well as with public and nonprofit institutions and foundations, and with the private sector to create a network of vibrant humanities centers in every region of the nation.

In addition to establishing regional humanities centers, there are a number of other special program activities that will be a part of Rediscovering America Through the Humanities. The objective of all the initiative's activities is to encourage Americans to observe the dawning of a new millennium by rediscovering the nation's history and culture and by preserving this rich heritage for the benefit of future generations. Among the program emphases planned for fiscal year 1999 that I would like to call to your attention are:

—*American Legacy Editions.*—A special effort in our Research and Education division that will ensure the survival of scholarly projects that are preparing documentary editions of the papers and writings of a number of the nation's Presidents as well as other important historical and literary figures. Because of drastic cuts in funding for NEH over the last three years, the agency was forced to deny grants to many worthy editions projects. American Legacy Editions is designed to double the amount of funding we are currently able to provide for such projects;

—*Schools for a New Millennium.*—A special grant competition in our Education Development and Demonstration program that will help schools and their teachers become more competent in incorporating new electronic humanities materials and technologies into their classrooms;

—*My History is America's History.*—A special project that will encourage Americans of all ages to commemorate the turning of a new century and a new millennium by rediscovering their family's history and linking this history to the broader sweep of events and trends in American and world history;

—*Great Books in the Humanities.*—A special emphasis in our Public Programs and Enterprise division that will support a high quality, ongoing series of programs on public television featuring great works of literature. NEH-funded reading and discussion programs in libraries would be supported to complement the television broadcasts; and

—A special emphasis in the Endowment's Preservation and Access division in support of projects to digitize important materials held by the nation's museums, libraries, archives, and historical organizations.

These special Rediscovering America programming emphases will complement our regular programs and operations. I am absolutely committed to sustaining and increasing support for NEH's core humanities programs. Indeed, the Endowment's $136 million budget request is designed to begin the process of breathing some vital new fiscal life into these important federal programs, which have not recovered from the devastating reductions that were inflicted on them three years ago.

While I have always been aware of the range of NEH's grant programs, since becoming Chairman I have had the opportunity to observe the work of these programs from a different perspective and to see firsthand the remarkable breadth and depth of the projects they support. As this Committee is well-aware, NEH's core grant programs are time-tested vehicles for enabling high quality humanities projects to take place across the nation, projects that enrich our educational and cultural life and that benefit citizens in every state of the union. Noteworthy humanities projects that annual Congressional appropriations for the Endowment make possible include:

—Public education projects and programs sponsored by the 56 state humanities councils that annually reach millions of Americans from all walks of life in school auditoriums; museums and libraries; community centers and court houses; church and grange halls; and on college campuses. Appropriations for NEH's Federal/State Partnership with the state humanities councils have also recently supported a number of innovative state council projects to develop reading and discussion programs for newly literate adults and their children;

—Opportunities for school teachers and college teachers to improve their instruction in the humanities, such as a major project for teachers of grades four through eight in West Virginia that is developing a CD–ROM, teachers' guide, and other curricular materials on the history of coal mining in the state. Approximately 70 teachers from across the state are participating in this two-year project. Another recent project, in Browning, Montana, is helping elementary and secondary school teachers on the Blackfeet Indian reservation deepen their understanding of Native American literature and learn how to teach this subject matter more effectively to their students. The hundreds of school teachers and college teachers who participate in NEH seminars and institutes each year reach hundreds of thousands of American students each year in rural, inner-city, and other classrooms throughout the nation. The summer of 1998 will mark the 25th anniversary of NEH's pathbreaking summer seminars for college teachers program and the 15th anniversary of the summer seminars for school teachers program, both of which have had an enduring impact on the quality of humanities education offered to the nation's students;

—Collected editions of the papers, writings, and other materials of historically significant figures and events important to our cultural heritage. In fiscal year 1997, NEH funds supported the preparation of editions of the papers of George Washington, the Adams Family(which include the papers of "First Lady" Abigail Adams), Andrew Jackson, and Dwight Eisenhower. Recent NEH funding has also made possible the preparation of editions of the papers of Elizabeth Cady Stanton and Susan B. Anthony, the journals of the Lewis and Clark expedition, the history of the First Federal Congress (1789–1791), and four volumes of the Dead Sea Scrolls manuscripts. (As noted previously, because of major budget cuts for NEH, we are no longer able to support a number of these editions. We have also been forced to reduce the amount of awards to projects we are able to fund, which has caused many grantees to cut back their editorial staff and to slow significantly their project production schedule. Our $136 million fiscal year 1999 budget request will permit us to implement a special initiative—American Legacy Editions—that will increase the funding we are now able to provide and ensure the continuation and speedy progress of these important projects.)

—Educational television documentaries that reach millions of Americans of diverse social, cultural, and economic backgrounds in all areas of the nation, such

as last fall's highly acclaimed six-part PBS series, Liberty!: The American Revolution, which traced the birth of our nation from the growing tensions and eventual break with Great Britain to the drafting and ratification of the Constitution. The Endowment also was chiefly responsible for the "The Presidents" series on PBS's popular "The American Experience" program, which recently rebroadcast twelve thought-provoking documentaries on notable American Presidents. Liberty and "The Presidents" join other illustrious media presentations NEH has made possible over the years, ranging from Ken Burns's epics, The Civil War and Baseball, to portraits of such important Americans as Frederick Douglass, Andrew Carnegie, Charles Lindbergh, and George C. Marshall;

—Projects to preserve and increase the availability of important cultural and intellectual resources held by the nation's libraries, museums, and archives, such as fiscal year 1997 funding that was provided to the Southeastern Library Network (SOLINET) in Atlanta in support of a major cooperative brittle book microfilming project involving 14 university libraries (East Carolina, Emory, Kentucky, North Carolina Central, North Carolina State, Tulane, Florida, Georgia, Maryland Eastern Shore, North Carolina, South Carolina, South Florida, and the University of the South), the Georgia Department of Archives and History, and the State Library of Florida. In 1997, the Endowment also provided major support for a project at the University of Southern Mississippi that is cataloging the manuscript collections of 150 women authors and illustrators of 19th- and 20th-century children's literature. Over the years, NEH-supported preservation and access projects have microfilmed more than 773,000 embrittled volumes and 57 million pages of historically significant newspapers and have stabilized the condition of over 28 million objects of archaeological, ethnographic, and historical importance;

—Innovative humanities projects employing the new electronic information technologies, such as the new EDSITEment website, which the Endowment launched last fall in partnership with the MCI Corporation and the Council of Great City Schools, that is providing teachers, students, and parents with immediate electronic access to the best humanities education materials on the World Wide Web. NEH is also helping educators introduce into the nation's classrooms high quality websites and CD–ROMs on diverse humanities subjects such as a project at Northwestern University in Evanston, Illinois, to develop a multimedia database on the history of the Supreme Court and a project at the University of Virginia on the history of the American Civil War. Another recent NEH grant, to the Denver Public Library, is helping to catalog and digitize thousands of important photographs on the history of the American West;

—Educational museum exhibitions for broad public audiences that examine significant themes and ideas in the humanities, such as the recent opening at the Oakland Museum of California of Gold Fever! The Lure and Legacy of the California Gold Rush and the major traveling exhibition, Barn Again: Celebrating an American Icon, which examines the forces that have shaped the American farmstead and the relationship between country and city. With major funding from NEH and spearheaded by the Utah Humanities Council in cooperation with a number of humanities councils in the Northwest, Midwest, and the South, Barn Again is being presented at thirty-two small rural museums in Alabama, Georgia, Oregon, Ohio, West Virginia, Illinois, Utah, and Missouri. In fiscal year 1997, NEH also supported the efforts of the Anchorage History and Fine Arts Museum in Alaska to plan a traveling exhibition, catalog, and educational programs examining the early period of Russian exploration in the North Pacific, 1728–1848;

—Research and scholarship that expand our knowledge and understanding of the past,such as Stanford University professor Jack Rakove's recent book, Original Meanings: Politics and Ideas in the Making of the Constitution, which won the 1997 Pulitzer Prize in history; and the research that led to discovery by an NEH-supported team of archaeologists of the remains of the early seventeenth-century fort at Jamestown, Virginia—the first permanent English settlement in America; and

—Stimulation of private donations to humanities projects and institutions, such as a recent $325,000 Challenge Grant to Whitman College in Walla Walla, Washington, to endow a professorship in classics and an annual classics lecture series and a Challenge Grant to the A:shiwi A:wan Museum and Heritage in Zuni, New Mexico, that is helping to endow humanities research and programming at this Zuni tribal museum. In fiscal year 1997, NEH Challenge funds also helped the New Hampshire Historical Society in Concord raise nonfederal funds to renovate and equip its library for expanded public service. Over the

years, NEH Challenge Grants, which require $3 or $4 in donations for every dollar awarded to a humanities institution, have attracted more than $1.2 billion in private gifts; another $343 million has been raised in one-to-one matches for specific humanities projects supported by our other grant programs.

I am proud to be associated now with projects of such substance and significance as these, and I pledge that in fiscal 1999 and in the years ahead the Endowment will strive to add to this distinguished record of achievement and service to the nation. We will work particularly hard to encourage projects and programs that have the capacity to reach people in towns, communities, and other areas of the country who currently may have limited access to quality humanities programming. Expanding the geographic and demographic breadth of NEH's grants will be a central theme of our efforts.

In closing, I would like to return once again to my vision of the future for both the Endowment and the humanities. Briefly put, I hope that when I finish my work at NEH "the humanities" will have become an everyday word to millions of Americans, that every American will know about the work of the National Endowment for the Humanities, and that they will feel that they are better off for having this important agency of the federal government working on their behalf to advance the nation's educational and cultural well-being. Our plans for the coming fiscal year—the regional humanities centers, the Rediscovering America program emphases, the strengthening of our core grant programs—are the first steps in making these visions a reality.

But I need your help. And so, I must also return to the issue of money. As you know, as small as NEH's budget is, it is still the single largest source of funding for the humanities in the United States. While I plan to work actively to secure private and non-federal support for our plans and initiatives, we must not underestimate the critical nature of the federal role in helping the humanities to grow and thrive throughout the United States. It continues to be very much worth the nation's investment to keep this federal effort going at as high a level as possible.

PUBLIC/PRIVATE PARTNERSHIPS

Senator GORTON. Thank you. That was a fine and comprehensive opening statement.

Again, Senator Cochran, I will defer to you first if you have anything that you would like to say, add, or ask.

Senator COCHRAN. Well, you are very kind, Mr. Chairman.

I think one thing needs to be emphasized and that is the interest that the Chairman has shown in using the private sector to supplement the effort made by government agencies, whether they are national, State, or local agencies, because the expense of some of these undertakings, like the Center for the Study of Southern Culture, are too great for the National Endowment for the Humanities to fund all by itself or for the University of Mississippi to support by itself or for the State budget to support. There are too many competing programs and requirements of the governments' appropriations.

So, I would like for the Chairman to tell us how he sees his role in trying to facilitate private sector support for some of these ideas that he has about how to expand the influence and benefits of a national humanities program based on your experience with the Center for the Study of Southern Culture.

Mr. FERRIS. Well, thank you, Senator Cochran. My career as an administrator and scholar has been entrepreneurial. As Director of the Center for the Study of Southern Culture, I have aggressively sought and raised over $10 million that matched NEH funding for projects like the encyclopedia, the renovation of an antebellum observatory, and for an undergraduate curriculum on southern studies.

The funds that we are requesting for the new initiative are challenge grant in nature that will be matched at least three and four

to one by private dollars. Toward that end, I have been already contacting and working with potential donor groups. I met 2 weeks ago in New York at the Mellon Foundation with the heads of all the major foundations in New York City who have expressed great interest in becoming much more involved in providing support for humanities projects.

This spring I will speak to the Council on Foundations here in Washington.

We are also aggressively moving through our Enterprise Office to build a coalition of private, corporate, and individual donors who will be ongoing partners in what we plan in the future.

Senator GORTON. Senator Bumpers.

SUMMER SEMINARS AND INSTITUTES

Senator BUMPERS. Mr. Ferris, in visiting with you yesterday, I forgot one thing. We talked a little bit about the summer institutes, but I forgot to ask you what the status of those programs is and how many of them you have going. How many did you have last summer? How many do you anticipate this summer?

Mr. FERRIS. We have 70 seminars and institutes coming up in 1999, which will involve 1,305 teachers, and they in turn will be able to serve 196,000 students. That is 54,000 more students than we were able to serve the previous year.

As I mentioned to you, I have personally taught in these summer institutes with college teachers on three occasions. I am absolutely committed to seminars and institutes on both the secondary and college levels. I see this as maximizing the use of funding because for every teacher we bring into an institute, we are impacting classes of students for the rest of their career. This is a way of rebuilding the quality of education from the ground up, and I think that is where we have to begin with K through 12 and with education at the college level as well. That will be one of my highest priorities at the Endowment.

Senator BUMPERS. Well, of course, I am very pleased to know of your commitment to this program. Mr. Ferris, as you know, when I first discovered these summer institutes 12 years ago, they were being privately funded by the Carnegie Foundation. In my opinion whatever the educational shortfall in this country, the summer institutes are the fastest and best way to rectify it that I can think of, and yet we are really putting peanuts into this program.

I can tell you that high school teachers in my little hometown, population 2,500, would give anything in the world to be able to attend one of those summer institutes. Yet, the demand for them is probably 500 times greater than the availability. As I told you, the first time I heard about that was in a story in Time magazine where 4,400 teachers had applied for roughly 225 positions at a summer institute at the University of Texas. Teachers want mightily to upgrade their skills, but very few of them without a stipend can afford to take off and go to summer school to take some of the courses or to study a particular subject that they can then pass off to their students whether it is in their discipline or not. I mean, it may be a math teacher studying Greek culture for that matter. It might be an English teacher studying the Constitution. But those things all mightily enhance the teaching skills of teachers.

How much money are you putting into that program this year in 1998, do you know?

Mr. FERRIS. I will have to get those figures for you. Let me say that we plan to work closely with the State humanities councils and the new regional humanities centers to build a common initiative to expand dramatically these summer seminars and institutes. When teachers are out of the classroom, they can effectively use that time to upgrade their classroom skills. We are currently putting in $6 million into the Seminars and Institutes Program. That is not enough, obviously.

Senator BUMPERS. No; it is not nearly enough. I believe that is a little improvement over what it has been in the past.

Thank you, Mr. Chairman.

[CLERK'S NOTE.—The information was provided in Mr. Ferris' answer to Senator Bumpers' question.]

REMARKS OF SENATOR ROBERT F. BENNETT

Senator GORTON. We have now been joined by Senator Bennett and by Senator Gregg. The NEA portion of the hearing is concluded and we are on NEH. But if either or both of you have any statements that you would like to make orally or include in the record, they will be included and you are free to question our new NEH Chairman.

Senator GREGG. Do they have to be in iambic pentameter? [Laughter.]

Senator GORTON. They will get more attention if they are.

Senator BENNETT. Well, thank you, Mr. Chairman. I apologize for not having been here earlier. I was listening to Senator Cochran wax eloquent about the Army Corps of Engineers and then stayed in that hearing long enough to say a few well-chosen things myself about this particular budget and the OMB and the way it has, in my view, done serious damage to the Department of the Interior's ability to do its job.

But I have to be on my way to a Banking hearing. I did want to simply show up even though I am too late for the NEA portion. The NEA and the NEH are sufficiently well-linked that I can just say here once again that I support both of these Endowments. I think it is important that we have a Federal statement in the area of support for the arts as well as support for the humanities. I did not want my absence to be misread by anyone that my support had waned as I get closer to election time. [Laughter.]

I want to make it clear that even though there are those in my home State who disagree with me on this one, I feel strongly enough that, even in an election year when I am up, I will show up simply to demonstrate that support. So, that is my purpose in being here and I am on my way to Banking.

Thank you, Mr. Chairman.

Senator GORTON. Senator Gregg.

REMARKS OF SENATOR JUDD GREGG

Senator GREGG. Well, I appreciate the opportunity to listen also to the testimony and I commend the chairman for his strong support for both these Endowments, which I join him in. And just keep sending money to Ken Burns. [Laughter.]

He funds an entire town in New Hampshire. [Laughter.]

FUNDING OF REGIONAL HUMANITIES CENTERS

Senator GORTON. Let me ask you about the regional humanities centers. If you do not get all or substantially all of the additional requested budget, do they go by the board?

Mr. FERRIS. No; but we would have to see how we would allocate, given what Congress appropriates, those moneys. This is a priority. It is prioritized partly because it is designed to bring private support in a significant way to the humanities.

Senator Gregg mentioned Ken Burns. He is one of our stars obviously, and his great films have not only been loved by every American viewer, but they have brought back to the Endowment reimbursement of his grants, which we were then able to use for other projects.

The overall picture of the humanities in this Nation is that without the Endowment and the Mellon Foundation, there would be virtually no national funding. I am going to change that during my tenure at the Endowment. I have to have congressional help because the public sector has never been asked to help in this initiative.

I am going forth in an aggressive and convincing way to corporate heads, foundation heads, and the message they have responded with in the last 2 months is that "we want to be involved; we want to know how to help," and I am showing them a list of our priorities. But we have to have congressional support that indicates that our Nation is also going to be a partner. You will be helping a federally assisted rather than federally funded agency because we are going to use your support to build in a way that will have impact on every American in every one of your districts.

RELATIONSHIP WITH STATE HUMANITIES COUNCILS

Senator GORTON. Describe the relationship between the National Endowment and the various State councils. Do they support these regional centers? Do they play the same role in the States that you play in the Nation as a whole? Does every State have a council for the humanities?

Mr. FERRIS. Every State has a State humanities council, and during my tenure at the University of Mississippi, I worked very closely with the State council there. They unanimously endorsed my nomination last fall because they know that as a folklorist and someone who has worked closely with my own council, I understand their needs in special ways.

They complement the National Endowment. They are a vital grassroots presence in every State. I recently met with all the New England council heads when I was in Cambridge. I will be meeting tomorrow in California with that council, and I will be increasingly visiting in each State, in Arizona, Louisiana, Maine, New Hampshire, and others during the coming months. I want to work as closely as possible to strengthen each of those councils and to wed them in ways that are appropriate with the National Endowment and with the regional initiative as well. This is a partnership. It is a kind of troika of three different but absolutely vital relationships that the humanities will bring to America in the future.

Senator GORTON. My notes for this hearing say that the State councils, at least taken as a whole, are able to fund just about one-half of the applications they have and the National Endowment is way, way less than that. Is that because they are less well-known or better funded? Why that tremendous difference?

Mr. FERRIS. Well, we at the National Endowment are the source of support for figures like Ken Burns and for major scholarly projects like "Encyclopedia of Southern Culture." There are many, many projects that only can be dealt with at the national level.

Senator GORTON. So, the larger ones come to you.

Mr. FERRIS. The larger ones and many others like teacher institutes, summer seminars. I think the best comparison for the National Endowment for the Humanities would be the National Science Foundation. We operate on so many levels, on so many fronts that are truly national and in many cases international, and the scale of need at the national level far exceeds and outstrips our ability to fund adequately and deal with those projects, many of which would be fully fundable if we had the resources.

GEOGRAPHICAL DISTRIBUTION OF GRANTS

Senator GORTON. You heard some of the discussion earlier this morning about NEA and the concentration of its grants in New York and in a few other States. In fact, in the debate over NEA last year in Congress, we literally took congressional action to try to spread those grants more equitably across the country.

Does that same challenge face NEH? Is there a concentration? Is there a feeling that smaller and more rural States are not getting an appropriate share of the grants? You come from a relatively rural State. Do you intend any changes in that connection, or do you think NEH has been doing a good job there already?

Mr. FERRIS. Well, as you point out, I do come from a small rural State, and I understand those concerns. But I am delighted that the Endowment currently has a very fair geographical distribution. The highest percentage of our grant funds awarded to any State last year was 12 percent. Our regional initiative and our support of State councils are designed to deliver in an equitable and focused way not simply dollars but actual products that will be permanent, enduring resources for all of our States that will make a difference in the life of the average American wherever they may be.

I think the Endowment is in good shape on this question. We are going to be in a lot better shape with your support in the next few years because I am going to see that that happens.

Senator GORTON. I thank you. We want to welcome you on board and wish you every success. We will try to provide you with adequate support.

Mr. FERRIS. Thank you very much.

Senator GORTON. Thank you.

SUBCOMMITTEE RECESS

The subcommittee will stand in recess until 9:30 a.m., Wednesday, April 1, when we will receive testimony from the Honorable Bruce Babbitt, Secretary of the Interior.

[Whereupon, at 10:43 a.m., Wednesday, March 26, the subcommittee was recessed, to reconvene at 9:30 a.m., Wednesday, April 1.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1999

WEDNESDAY, APRIL 1, 1998

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

The subcommittee met at 9:30 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Stevens, Cochran, Campbell, Bennett, Domenici, Byrd, and Bumpers.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

STATEMENT OF BRUCE BABBITT, SECRETARY

BUDGET REQUEST

OPENING REMARKS OF SENATOR GORTON

Senator GORTON. The hearing will come to order.

We are delighted to have you with us, Mr. Secretary. I think this is your fourth appearance before the subcommittee during my tenure as chairman. This year's hearing is likely to be popular with the members of the subcommittee, but perhaps less so than in previous times because those of us who are members of the Commerce Committee—and there are several on this subcommittee—are due in the Commerce Committee markup on tobacco legislation. There are also a number of other appropriations subcommittee hearings taking place. So I will have to leave, and leave this with someone else, after my own set of questions. I apologize for that.

We scheduled you here before that tobacco hearing was set. Nonetheless, it is a matter of great public interest.

Last year, the budget agreement, and Senator Stevens' willingness to abide by the budget agreement, allowed us to provide a substantial increase for Department of the Interior programs. This included full funding for Everglades restoration, a huge increase for land acquisition, and increases over the budget request for operation of our parks and refugees.

While the budget agreement will continue to lend general support to natural resource programs in fiscal year 1999, there are no specific protections for departmental priorities as there were last year. More importantly, the overall amount of discretionary spend-

ing available to the Appropriations Committees will not increase as it did in fiscal year 1998.

In fact, the total amount of nondefense discretionary funding available for the entire appropriations committee is below a freeze level. The President has dodged the statutory spending caps in his budget by establishing special funds, proposing new revenue streams, and reclassifying certain discretionary spending as mandatory. By virtue of these bookkeeping maneuvers, the request blesses programs under the jurisdiction of this subcommittee with a $1 billion increase over 1998. Programs within your Department get almost half of that. I think that that is wishful thinking.

Though I hope to persuade Senator Stevens, who is here with us, to provide the subcommittee with an allocation that is something better than a freeze, there is virtually zero chance we will receive an increase in our allocation anything like $1 billion. What is more, there will be fierce competition for any increase that we do receive.

If we do not sell oil from the strategic petroleum reserve—and there is little sentiment to do so with oil prices so low—we will need to find $160 million that was not in our base last year at all. We will also have to grapple with the pressing needs of the Indian Health Service, which is inexplicably the only major agency in this bill that did not receive a significant increase in the budget request. The administration has chosen to justify this, in part, by relying on estimates of Medicare and Medicaid reimbursements that are fully double the estimates made by the Indian Health Service itself.

There are a number of other fanciful scorekeeping estimates in the budget request that the Congressional Budget Office tells us it does not agree with. These will cost us additional tens of millions of dollars.

Lest you feel slighted, Mr. Secretary, I am laying these cards on the table as much for my colleagues, benefit as for your own. Just as I will plead with them to be reasonable in their requests of me, so I will plead with you to reevaluate your budget request and engage my staff and me in a serious discussion over the coming months about the real priorities of the Department of the Interior. We need your candor and cooperation in this process to make wise choices.

On a final note, I want to let you know in advance that tomorrow, or perhaps even this evening, I will be introducing legislation on the subject of the Elwha dams, a matter that we have discussed on countless prior occasions. I will not dwell particularly on the subject at this time, as you already know its outline. But I hope you will take a close look at the bill and give it careful and thoughtful consideration.

I may say also, in consulting with my staff, we have moved very slowly on the money in the land and water conservation fund, partly at least because of reluctance of the members of the comparable subcommittee in the House in dealing with it and partly because obviously there are far more demands on it than there is money in it. That will have a relationship with the Elwha removal.

For example, I believe it is perfectly appropriate, and will have as a high priority, to use that money for the acquisition of the Elwha dams. I have serious questions about the validity of using

it for a capital expense in connection with taking those dams down. So we are going to have to figure out a way, if this Elwha legislation passes, to fund it. Because as I have come to what I think is a middle-line agreement on it. There is no point in doing it unless we have the money to carry out the job.

So your help on that, your prompt response to it, will be greatly appreciated.

And with that, I will turn to my friend and colleague, Senator Byrd.

OPENING REMARKS OF SENATOR ROBERT C. BYRD

Senator BYRD. Well, I thank you, Mr. Chairman.

I join Senator Gorton in providing a warm welcome to you, Mr. Secretary, as you appear before the subcommittee to discuss the proposed fiscal year 1999 budget for the Department of the Interior. Your job is a difficult one, and you are to be commended for your extraordinary efforts to balance the competing interests within the Department.

We will be seeking your assistance, Mr. Secretary, as in prior years, in identifying priorities among the various initiatives proposed for the Department. Your budget is a fairly healthy one for fiscal year 1999, but I would be remiss if I did not point out that some of the increases may have been made possible by troubling reductions elsewhere in the President's budget.

I find it difficult to believe that the Congress will stand idly by and accept such things as the President's proposed reduction of nearly 50 percent for the Army Corps of Engineers. Thus, it is unlikely that the subcommittee will receive an allocation that will accommodate all of your proposed increases for fiscal year 1999.

I take it, Mr. Chairman, we are not asking questions at this point.

Senator GORTON. No.

Senator BYRD. OK.

Well, I look forward to working with you, Mr. Secretary, to identify the most critical programs.

Senator GORTON. Senator Stevens.

And if you do not mind, Senator Byrd, I will let Senator Stevens make both an opening statement and submit any questions he has now. He is a Commerce Committee member, and he needs to be at that markup as soon as he possibly can.

OPENING REMARKS OF SENATOR TED STEVENS

Senator STEVENS. Well, thank you very much. And I hope Senator Byrd will understand.

I also have to open the defense appropriations subcommittee hearing and get back with you to markup the tobacco bill.

I am here, Mr. Secretary, to—I do have two questions, but I do want to thank you again publicly for your cooperation with us in this past year on the subsistence issue that is really perplexing for Alaskans, since before statehood, we have prided ourselves, as you know, in our ability to provide sound care and management for our fish and wildlife resources. And, really, statehood was really about whether we were capable of doing just that, whether we were capa-

ble of providing sound management for fish and wildlife resources across the whole State.

There have been years of uncertainty now. Actually, in 1980, Congress asserted this constitutional power over the public lands, and created or expanded two national forests, 10 park units and 16 refuges. And at that time, it also set into law a preference for those who use these lands for subsistence purposes. In 1989, that subsistence preference was found by our State supreme court to be at odds with our State constitution. But last spring, a task force was formed, of Alaskans, to try and come up with a way to reconcile the Federal subsistence law with our State supreme court's holding.

Incidently, the ratio of that task force, despite the fact that our Governor is a Democrat, was 4 to 3, Republicans to Democrats. We had the Republican House Speaker and Senate President, as well as former Governor Hammond and Attorney General Cole, also both Republicans.

And, Mr. Secretary, at that juncture last summer, you came to Alaska and met in Senator Murkowski's house with the subsistence task force, our complete congressional delegation and members of the Governor's staff, and the Governor. We discussed the subsistence deadlock, and you said you would help. And you have kept that promise. You have helped. With that help, we modified the 1980 Federal law, as the bipartisan task force recommended, in the last part of last year's Congress. And our common hope was that the Alaska Legislature would make the changes in the Alaska Constitution and the Alaska laws needed to restore comprehensive management.

Now, I have two questions for you this morning, Mr. Secretary. And I thank the chairman for allowing me to ask them now.

Will you help us again, and direct at the very highest level of the Interior Department, the review and comment on the proposals that are now before the Alaska State Legislature?

And, second, as the person vested with implementing the Federal subsistence law, will you also tell us your thoughts on the draft bills that are now before the State House of Representatives Judiciary Committee? That is the latest version, known as the Green version, named after the chairman of that judiciary committee. And we are very interested that the Alaskan people would know your thoughts at this time on that draft.

Secretary BABBITT. Senator, I would be very happy to do that. I share your feeling that we have come a remarkable distance in the last year in bringing very disparate groups together toward some common ground on this issue. And of course, now that we are down on the 10-yard line, it seems to me even more important that we work together to try to get this issue resolved.

Now, I would point out just two things. We are working on these subsistence regulations. Because if we cannot get this resolved, I think we have a clear legal obligation, in due course, by the end of this year, to take steps to put those regulations into effect.

In the meantime, it would be much preferable to get an acceptable result through the Alaska Legislature, out to the ballot, and get this issue resolved.

I think that any proposal that involves major revisions to ANILCA is not going to fly, and that we must look at all of these proposals with an open mind, but against a background which says major revisions of ANILCA are not in the cards. The Governor's proposals, which involve significant concessions to the State of Alaska, are the appropriate framework in which to discuss this issue.

And in that context, I am ready and willing to respond by return mail to the Alaska Legislature and the Governor with respect to any proposals. Because I want to be a part of the solution.

Senator STEVENS. Well, thank you very much.

Senator Murkowski, Congressman Young and I have told our legislature that we are prepared to review those drafts also, once the Governor and the legislature concurs in what they seek, in terms of modifications to ANILCA, if they seek any modifications. I would prefer that they proceed now on the task force recommendations.

But my two colleagues, who are each chairman of the committees involved, have indicated they will hold hearings if it is necessary. But your concurrence is absolutely essential, as we all realize, because you are the person that is going to recommend to the President whether he signs a bill that would effect some changes in ANILCA. So we all hope that the Governor and the legislature will be guided by the comments you have just made.

I thank you for them again.

And I thank you, too, Mr. Chairman, for allowing us to do this, so we can get your position back to Alaskans today. Thank you.

Senator GORTON. With that exception because of commerce, we are still just on opening statements.

Senator Campbell.

OPENING REMARKS OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thanks, Mr. Chairman. I know we have all got busy mornings. Let me make mine very brief.

Welcome, Mr. Secretary. We may not get time to ask some questions, because this may be a very short hearing. But I hope perhaps that you can address the question of the BLM. They are trying to reinventory more land, and the possibility of it being designated as a wilderness area. That is becoming a very hot issue in Colorado, and I know in my colleague's State of Utah, too.

Our State legislature, in fact, is trying to address this issue by passing a joint resolution, requesting Congress to clarify whether the BLM has the authority to reinventory the land managed by the agency, and ask them to continue to allow multiple uses on that land.

In 1991, it was recommended in the last inventory that 400,000 of the 800,000 acres that was looked at in Colorado be recommended for wilderness. And I am interested in knowing what has changed since then that they would want to reinventory that much land.

In addition, I would hope perhaps you could address—or if you do not I will submit questions if I cannot ask them—the lack of increase in PILT money. Although you are asking for over $490 million of additional money, the PILT money seems to remain the same. And if you could deal with that, I would appreciate it, too.

Thank you, Mr. Chairman.

Senator GORTON. Senator Bennett.

OPENING REMARKS OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman.

I appreciate the hearing held today. I welcome the Secretary. He has administrative responsibility for close to 30 million acres in the State of Utah. So he and I have become good friends over the years, as we have discussed—not always agreed—on issues relating to those acres.

REINVENTORYING OF LANDS FOR WILDERNESS

The areas that I would hope we could get into today—echoing the comment of my good friend from Colorado—dealing with reinventorying of lands for wilderness. We had an inventory in Utah. It was done during the Carter administration, I remind everyone who likes to say this was done under the heartless Republicans. And now there has been an attempt on the part of the Department to go back and reinventory, non-WSA areas.

The reinventory was struck down by the court as being beyond the Department's authority. Interior appealed. Now the tenth circuit court has agreed with the Department. There undoubtedly will be another appeal. I would like to know what the Secretary plans to do about this in the present muddled legal situation.

I think if the Department is intent on finding 5.7 million acres of wilderness in Utah, which has become the rallying cry, they ought to do it in the proper way, using the BLM wilderness manual, and inventorying all public lands, including the current wilderness study areas. They might find that certain existing wilderness study areas now do not meet the criteria of the manual.

But there are groups out there doing their own inventorying right now. They come to see me, and say we have interns from the universities that are falling in love with the land. Taxpayers have already spent millions and millions of dollars in the standard procedure to do this. And why we have to do it all over again escapes me. But I would like the Secretary to address that.

SAN RAPHAEL SWELL HERITAGE AREA

I would be interested in the Secretary's reaction to the Emory County proposal to create the San Raphael Swell National Heritage Area. And there are people, including the Director of the BLM, who will be in Utah this weekend to physically visit that area. I would like to invite the Secretary to join them. And if he does, I will cancel my schedule to join him.

GRAND STAIRCASE ESCALANTE NATIONAL MONUMENT

Then, of course, we still have the Grand Staircase Escalante National Monument. I have introduced legislation to codify the President's promises relating to this monument into law, so that we will not have to depend on the memory of some administration official in some future time. And I am willing to be as patient about that as it takes, to see to it that those promises are codified. The Sec-

retary and I have had a conversation about that. But I would hope he could respond, either here or later.

I am concerned about the lack of movement of the Department with respect to a land exchange on school trust lands. The trust in Utah has put together what at first look appears to me to be a reasonable proposal. I hope that we can move forward on that. I know there are some environmental groups who do not want to exchange school trust lands. They want to keep those trust lands locked up in the monument, where, if they are completely surrounded by Federal lands, have no economic value.

But it is a violation of the trust that is given to Utah school children that says those lands belong to Utah school children. If they cannot be operated and used inside the monument, they must be swapped for land of equal value outside the monument so that the school children are not shortchanged.

Everybody agrees with that, but nothing ever seems to happen about that.

I remember my father worrying about school trust lands 40 years ago, and getting promises that, oh, we will work out an exchange. The President specifically promised that when he created the Grand Staircase Monument. That is moving much too slowly for me.

Then we have to address the management issue with respect to the monument. It would not serve this administration or this Congress well to spend $20 million or so over the next 5 years on a management plan that does not work on making the monument a tourist attraction. That is what monuments are. And again, there are environmental groups, particularly in Utah, who get horrified at the idea that we need to appropriate some money to build some rest rooms and pave some roads so that the tourists can enjoy the monument. They seem to think that the monument somehow is automatic wilderness.

The President, whatever his powers, cannot create wilderness by fiat. Wilderness is created by the Congress. And the Congress has not created this land as wilderness. We want to be sure that it is not managed as if it were wilderness by an executive branch that wants to override congressional opinion.

I know that none of these issues comes as a surprise to the Secretary. He and I have had a number of conversations about them. But I would not be true to my trust if I did not raise them in this arena and every other until we get them moved towards the direction of resolution.

Thank you, Mr. Chairman.

Senator GORTON. Thank you.

SUMMARY STATEMENT OF HON. BRUCE BABBITT

Now, Mr. Secretary, we will be delighted to hear from you.

Secretary BABBITT. Mr. Chairman, it is a pleasure to be back. I guess this is the fourth appearance with you in the chair, stacked on top of several appearances with Senator Byrd in the chair. And I just want to acknowledge at the outset that I think we have had an exceptionally productive working relationship. And I am very grateful to all of the members. I recognize from time to time we have differences, that from time to time the public might draw the

impression that we are bitter adversaries, instead of the truth, which is that we have established I think a really good record of collaboration on progress. I am very grateful for that.

I understand that there are budget issues this year. And obviously I am ready and willing to work with you to address these priorities issues. But I cannot pass this up without making a plea to the chairman of the Appropriations, Senator Stevens, to be a bit more generous. It seems to me that now that we have reached a balanced budget and now that this body has authorized the expenditure of, I believe, an additional $5 billion a year in discretionary funding for highways, we ought to be able to find a——

Senator GORTON. That is more a tribute to the skills of Senator Byrd. [Laughter.]

Secretary BABBITT. Well, I think my point is made.

What we are talking about here is a minuscule piece to protect the resource base that these extra $30 billion are being authorized to do—to pave roads, to put people in touch with this country of ours in every single State.

Senator, I appreciate the progress we have made on the Elwha Dam issue. I just want to say that I realize that this is still a hot topic. There are still lots of differing views. But it is my sense that we have come a long distance. And I simply pledge to you that I am ready and willing to discuss this issue, be flexible and pragmatic, and see if we can define both objective timetables and address fiscal issues that obviously are a significant part of this.

What I would like to do, and I will try to work through this rapidly, is talk about some of the large issues in the budget. First, I would like to step back and say a word about construction and maintenance on public lands throughout the entire system of refuges, BLM lands, and park lands. Working with this committee staff and with the House committee, I think we are really starting to nail this issue down.

Our construction and maintenance request this year will be submitted in the context of a rigorous ranking system and set of criteria that Mr. Berry has very ably developed, which say the No. 1 priority is health and safety. No. 2, we obviously have to finish up existing projects. No. 3 are critical resource needs. That results in a shift in the construction and maintenance budget toward an additional $82 million for maintenance and a decrease of about $14 million in the construction budget.

Let me say that I would like very much to work with both committees to see if we can keep the wheels on this wagon and not load it down with too many other construction starts. And I am ready to engage in that process.

The National Park Service has been scrutinizing its procedures with respect to construction because of some press relating to cost overruns on a number of projects around the country. The issue here is the Denver Service Center. We have commissioned a study by the National Academy of Public Administration. We will share those results with you and your staff.

I think they are going to call for a significant change in the concept and organization of the Denver Service Center and the way in which it has inadvertently divided accountability between park superintendents and the Service Center, with the result that an

awful lot of decisions and management oversight tends to get lost in the gap between the two.

The budget this year continues work on the forest plan in the Pacific Northwest. I believe that is all moving. We are working very closely to get a 4(d) rule out to small private landowners. The Bureau of Land Management has met its timber targets both last year and again this year.

The Everglades issues are represented in a total request for $144 million, spread among agencies, spread among areas and projects and land acquisition, all of which I believe is proceeding very, very well.

The California Bay delta project is now emerging, I think, as a very important emerging success. What it illustrates is the importance of dealing with water issues comprehensively. In this case, virtually on a statewide basis, with the entire central valley—the Sacramento and San Joaquin Rivers. The process that we are using, a partnership between the State, the Federal Government, and localities, has already resulted in the so-called bay delta accords, establishing a base of standards, environmental standards, in the delta system, to which the restoration efforts are directed.

And I think we are really within striking distance of a comprehensive, complete resolution of 30 years of warfare between northern California, southern California, environmentalists, agriculture, and urban areas. We are, again, about down to the 10-yard line. And I would call your attention to that issue.

The Columbia basin I am going to pass by, because I suspect Senator Gorton will bring me back to it. I would just say that this is admittedly and concededly a large and ambitious effort to try to use the same principles to integrate our priorities and management decisions across a landscape. It has not picked up many fans and supporters so far, unlike Florida and California. This one is in danger of becoming an orphan.

Now, my response to the critics is: What are the alternatives?

The alternatives, as I see them, are all worse. And I would encourage the committee's attention to that. And I am ready and willing to work. But I think that abandoning this project would be a mistake; that we will collapse back into a long track of litigation.

We are behind the curve in the Southwest. This is Arizona and New Mexico, particularly. But it is lapping over into southern Utah and Nevada. And I just want to note that. There are budget ramifications from that, in the Fish and Wildlife Service, BLM, and the U.S. Geological Survey [USGS]. So I would just say we are slightly behind the curve there, and it is my intention, in the coming year, to get ahead of the curve.

I would call your attention to two or three science issues that I think are important. The first is a $15 million request for bringing up a disaster information center in Reston on an interagency basis. What that is about is simply this.

We have learned, in the last 4 or 5 years, an enormous amount about good emergency prediction, management, and followup. I believe it is one of the great successes of this administration, led by the Federal Emergency Management Agency. We are learning as we move along that we are still not utilizing all of the advance in-

formation that we can get to predict emergencies, disasters, and to deploy resources to minimize damages.

We had some important experience out in California this year. It comes back to one gap in the process. And that is our ability to take satellite information, both classified and unclassified, GIS information from scores of sources, agency information, integrate it together, do the necessary declassification and be, in a real-time basis, out with the information. Not because we manage disasters, but because this is the right information point.

The USGS budget has a variety of lines relating to water research. And I would just flag this as a concept. We used to think of the water problem as Arizona, Utah, and New Mexico—maybe Nevada and a little bit in California. It is now a nationwide issue, in terms of contamination of groundwater supplies, in terms of bacterial problems, like the pfisteria outbreaks that we are now seeing along the Atlantic Coast, and interestingly enough, increasing supply problems east of the Mississippi, as well as in the more traditional areas.

The last science issue I would flag is the issue of fire ecology. In the BLM budget and, to some degree, in the GS budget, there are line items that relate to our increasing confidence in our ability to manage prescribed fires as a restoration tool, and to deal with the interface between fire, selective thinning, mechanical thinning, and overall forest health issues.

Last, a brief word about the Bureau of Indian Affairs. We have a very important $25 million increase for law enforcement services, criminal investigation, uniformed officers, and several other items. It is a critical issue. It is the No. 1 issue in Indian country. It is matched by a request of about $80 million from the Department of Justice, to see if together we can deploy some more resources.

I believe that we have the Indian trust accounts issue under control and a tortuous, long-term path toward resolution of what is surely the most complex and frustrating management, record assembly, litigation, information system design that I have ever come near in my life. We have an increase in the budget for that. And I believe that we are now ahead of this one.

PREPARED STATEMENT

With that, again, I would simply say it has been a great experience working with you. As frustrated as we sometimes get in authorization fights with the authorization committees, I have got to say that this relationship has been very different and very productive.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. BRUCE BABBITT

I am pleased to appear before the Subcommittee on Interior and Related Agencies to present the fiscal year 1999 budget for the Department of the Interior.

This budget is a significant one for the Department. It will mark and celebrate the Department's 150th year. It will also set the course for the Department's entry into the 21st Century.

The history of the Department of the Interior has been one of change. In 1849, the Department was established to be the country's Home Department—a miscellaneous collection of domestic agencies, including the Patent Office and the Census Bureau. The largest, and most expensive, agency was the Pension Bureau. As

the country developed and the needs of the American people changed, the Department assumed new functions and shed others. At least seven of the current Cabinet departments can trace their lineage, in whole or significant part, to functions at one time conducted by the Department of the Interior.

Today the principal missions of the Department are the conservation and management of America's natural and cultural resources, the protection and encouragement of Indian self-determination, and the fulfillment of Federal trust responsibilities to American Indians. These missions originate with two of the Department's original components—the General Land Office and the Indian Office. However, they have evolved dramatically since 1849.

Frederick Jackson Turner declared the frontier closed in 1893 and the last great wave of homesteading ended by 1920. The automobile, and later the Interstate highway system, have brought increasing numbers of visitors to parks, refuges and public lands. Development has pushed right up to the boundaries of many reserves and the interrelationship of the components of ecosystems that John Wesley Powell identified a century ago have become increasingly obvious. The land management challenges we face today are far different and more complex than those of 1949, let alone 1849. When Chester Lindsley was appointed as Superintendent after the establishment of the National Park Service in 1916, Yellowstone may have been the uncomplicated place pictured in Northern Pacific Railroad tourist posters. The Yellowstone of today receives nearly three million visitors annually, six times the number who visited the entire National Park system in 1916. The Park has an aging infrastructure and is profoundly affected by developments throughout the 11.7 million-acre Greater Yellowstone ecosystem.

The evolution of Indian programs has been equally dramatic. The Indian Reorganization Act of the 1930's and the Indian Self-Determination Act of the early 1970's have given Tribes their rightful role in the management of Federal Indian affairs. Our challenge today is to deliver services and operate trust activities within the context of a program that promotes self-determination and protects tribal sovereignty.

The budget that I present today reflects the continuing evolution of the Department's mission. As have each of President Clinton's budgets, the 1999 budget protects base operating funds for the Department's programs, including parks, refuges and public lands, natural resource science, reclamation programs, and Native American programs, while providing the funding needed to meet increasingly complex challenges. The budget:

—Continues funding for landscape scale restoration partnerships and includes increases to help States and local communities restore watersheds and fisheries.
—Adds funds to build on our successful efforts to make the Endangered Species Act work.
—Begins a five-year program to fund critical maintenance and construction needs.
—Funds an initiative to strengthen law enforcement functions in Indian country and continues our progress on trust management reform.

Budget overview.—The President has proposed a balanced budget for 1999, three years earlier than agreed to in last year's Bipartisan Budget Agreement. Within the framework of the balanced budget, the President's request seeks a total of $8.1 billion for the Department in funds subject to annual appropriation by the Congress. An estimated $2.4 billion will be provided by permanent appropriations.

For Department programs under the jurisdiction of this Subcommittee, the request for annual appropriations is $7.1 billion for 1999. This is a decrease of $71 million in current budget authority from total appropriations provided in the 1998 Interior and Related Agencies Appropriations Act. It is an increase of $461 million in current authority if the Department's $532 million share of the special 1998 Land and Water Conservation Fund appropriation is excluded. More than 20 percent of this increase will go for pay and other uncontrollable cost increases.

Our ability to propose a budget that includes programmatic increases is due to the President's commitment to the environment and programs for Native Americans and to our aggressive efforts over the last five years to streamline the Department, reducing headquarters staffs and management layers, and to reengineer our processes and improve the efficiency and effectiveness of our customer services. As of the end of fiscal year 1997, we had reduced our overall employment level by over 15 percent below the 1993 baseline.

Landscape focus.—The President's Northwest Forest Summit in April 1993 opened a new chapter in conservation and resource history. For 150 years, the Nation has been caught between two polar visions. One vision was of the great natural resources of our country as commodities to be exploited for economic gain. The other vision was of a deep ethical obligation to preserve and care for nature's creations. The new vision that crystallized in Portland in 1993 serves both nature and our economic future. By understanding that landscapes are complex, living and integrated

systems, we can find better ways of living on, and prospering from, the land, while at the same time protecting species and preserving nature's special places.

We learned three lessons in developing the Forest Plan. We cannot solve pressing natural resource problems by focusing on postage stamp size management units. We must treat them on a landscape scale. Second, in seeking solutions we must look across, and beyond, agency boundaries. We need to involve all the relevant Federal agencies, as well as States, local and tribal governments, industry, non-profit groups, and concerned ordinary citizens in efforts to move from conflict to cooperation. Third, our goal should be restoration, so as to ensure the long term ecological and economic health of communities.

The 1999 budget continues support for the Forest Plan, as well as for the landscape scale restoration of the Everglades.

Our request for the Forest Plan is $68 million. That this is a slight decrease from 1998 reflects the success of the Forest Plan. We have in place the structure to maintain and restore late successional and old-growth forests, water quality, and fish and wildlife habitat, while allowing a sustained timber harvest of 1.1 billion board feet per year. An aquatic conservation strategy has been implemented to maintain the health of watersheds. We are working with non-federal land owners to balance species protection through habitat conservation plans and planned implementation of the 4(d) rule.

For the Everglades, we propose an appropriation of $144 million, including $12 million for scientific research, $14 million for the Modified Water Delivery System, and $81 million for land acquisition. This request is an increase of $8 million over 1998. Total Federal funding requested for the Everglades is $282 million, an increase of $54 million. This funding, together with the contributions of the State of Florida, will keep us on track to solutions that restore the Everglades in ways that recognize the inextricable link between the health of the natural watershed and the growth and continued prosperity of Miami, Ft. Lauderdale, and all of the cities of the coastal ridge.

Based on lessons learned in the Pacific Northwest, South Florida and California, the budget for the Interior and Related Agencies bill also contains modest increases to address landscape scale issues in two other areas of the country.

At the 1993 Forest Summit, the President directed BLM and the Forest Service to develop a scientifically sound and ecosystem-based management strategy for Federal lands east of the Cascades in the Columbia River Basin, the upper Klamath Basin and the northern Great Basin. Two EISs and preferred management alternatives are nearing completion. To begin to implement whichever management alternative is selected to restore the long-term ecological integrity of the Federal land within the 144 million acre region, we are asking for increases of $7 million in BLM and $1.5 million in the Fish and Wildlife Service. The BLM increases will support implementation of integrated weed management plans, fish and wildlife habitat restoration projects, and use of prescribed fire to restore range and forest land, among other projects. The FWS increase will support streamlined ESA consultations on the model of the Forest Plan.

In the desert Southwest, increases totaling $4 million in BLM and FWS will support efforts to unsnarl the tangle of litigation surrounding conflicts between traditional industries such as logging and grazing, the resource demands of explosive urban and suburban growth, and the survival of a number of species, including the Mexican spotted owl, southwestern willow flycatcher, and cactus pygmy owl. This funding is critical to preempting gridlock that will benefit neither the species or the economy of the region.

The budget for the Energy and Water Development bill contains a request of $144 million for California Bay-Delta restoration activities, the full amount authorized by the California Bay-Delta Environmental Enhancement Act.

Watershed restoration.—It is not a coincidence that the restoration projects I have discussed revolve around watersheds. Water connects the landscape. Rivers link upland forests and meadows to river valleys and lowlands. The water reveals everything, right or wrong, that we do within the entire watershed. The health of the headwaters affects the biological and economic health of communities below.

In celebration of the 25th anniversary of the Clean Water Act, the Vice President is leading an effort to fulfill the Act's commitment to protect and restore the Nation's waters. The effort is grounded in a powerful new concept. Communities have begun to see that their river is not just a little slice of reality at the end of town, but that the river reflects everything that happens in the entire watershed; is a communicator, if you will, of actions taken hundreds of miles away. Many of these communities have begun to recapture their history and heritage—and secure their economic future—through rebuilding of abandoned waterfronts and restoration of fisheries, whether salmon, shad, or striped bass. On the Stonycreek River in Penn-

sylvania, the efforts of local citizens, working with State and Federal agencies to address acid mine drainage, are credited with the first reported holdover trout fishery in the river in 80 to 90 years.

In support of the Vice President's initiative, the 1999 budget contains increases in several of our bureaus. If I can generally characterize these increases, they involve helping local communities and watershed councils to find solutions to watershed restoration.

Specific program increases totaling $16.5 million in USGS will focus on enhancing the understanding and data available to Federal agencies, States, Tribes, local governments and private citizens that will be working together to improve watershed conditions throughout the Nation. Improved availability of landscape information coupled with hydrologic and biological data are critical to the success of a watershed-based approach of water restoration. Among other projects, USGS will develop new data handling and serving capabilities including the use of geographic information systems for decision support; evaluate the impacts of pollution sources and nonpoint pollution management practices in critical watersheds; provide information to assist remediation of acid mine drainage; conduct research on hypoxia in the Gulf of Mexico and pfiesteria in the Chesapeake Bay; and encourage research oriented toward restoring aquatic system health in degraded watersheds through competitive grants to Water Resources Research Institutes. The National Water Quality Program will begin work in two new study units and USGS will conduct cooperative research for the Bureau of Reclamation, NPS, BLM and other Federal agencies.

In BLM, OSM and the Fish and Wildlife Service, we are requesting new funding for partnerships and restoration projects. A proposed increase of $16 million in BLM includes funding for cleanup of drainage from abandoned hardrock mine sites in partnership with Colorado, Montana and other western States and additional funding for riparian restoration projects throughout the West. For OSM, we propose to increase the very successful Clean Streams initiative to $7 million. At this level, OSM will provide seed money for approximately 23 more partnerships to clean up rivers and streams polluted by contaminated runoff from abandoned coal mines. OSM will also use a small amount of funding to transfer the lessons that it has learned in the East to hardrock acid mine drainage projects in the West. The Fish and Wildlife Service will implement additional voluntary watershed health projects with private landowners with a $2.5 million increase in the Partners for Fish and Wildlife Program and a $3 million increase in the North American Wetlands Conservation Fund.

Fisheries restoration.—A key to the puzzle in many watersheds is private hydropower dams built in an era when the native fish supply was assumed to be indestructible. Over the next 15 years, one quarter of the private hydro-power dams in America will come up for Federal relicensing. This presents an unparalleled opportunity for communities to work with industry to develop innovative solutions to fish passage. A model for these efforts is the Menominee River, which forms the border of Wisconsin and Michigan's Upper Peninsula north of Lake Michigan. For decades the river and its tributaries have generated electricity through more than 13 dams, but those same dams have disrupted fish migration and spawning runs, degrading the river experience for white water enthusiasts and fishermen alike. The people of Florence and Marinette Counties in Wisconsin and Iron, Dickinson and Menominee Counties in Michigan saw that the strength of their river was more than the sum of its kilowatt hours. It could draw boaters and anglers to broaden and stabilize the tax base. As the deadline for relicensing the dams approached, citizens and elected officials came together with industry to hammer out a landmark plan to balance watershed values of a wilder, more natural river with continued electric power generation.

The Fish and Wildlife Service has a critical, supportive role in these locally based efforts. On the Menominee, the Service showed how and where the most cost-effective fish barriers could be installed, protecting not only bass and northern pike, but the hydro projects themselves. For 1999, we propose modest, but important, increases totaling $2 million for the Service to hire additional biologists and hydrological engineers and to demonstrate fish passage restoration techniques.

Endangered Species Act.—Just as we have learned better ways to work with natural systems, we have also learned better ways to work with the Endangered Species Act. Five years ago, there was a national perception that the Act was broken. There was a complete impasse in the old growth forests of the Northwest, an impending crisis threatening to shut down home-building in southern California, and another timber industry standoff looming in the longleaf pine forests of the South.

We dusted off the Act and found that it contains much flexibility and potential for innovation. For five years, we have been out on the landscape, working with States, Tribes, communities and private landowners. Habitat conservation plans

covering approximately 7.3 million acres have been put in place or are under development. We have developed the "No Surprises" policy and have negotiated "Safe Harbor" agreements with private landowners to encourage them to enhance or improve habitat by providing assurances that their voluntary conservation actions will not result in imposition of additional restrictions.

We have found that these tools can both protect species and permit sound economic development. Why? Because they provide: incentives for landowners to protect and even attract rare native species on their property; certainty for businesses to move ahead; and ways to restore rare and declining species in time to keep them off the endangered list.

I hope that 1998 will see enactment of ESA reauthorization that builds on the lessons that we have learned. For 1999, the President proposes a $39 million ESA increase to expand our use of these tools to more effectively and efficiently implement the ESA and to position the FWS to comply with a reauthorized ESA, should that happen.

Among other things, the increased funding will be used to implement additional candidate conservation agreements to protect 80 species and keep 20 species from being listed; to implement more than 100 additional Habitat Conservation Plans; enter into 100 to 150 safe harbor agreements; and implement an additional 75 recovery plans. Even in the absence of reauthorization, we will need to do these things, as well as to address a growing consultation workload; consider up to 30 additional species reclassifications or delisting actions; and provide support to the Interior Columbia Basin Ecosystem Management Plan, the Southwest Ecosystem initiative; consultation efforts with Indian tribes; and conservation of threatened and endangered species in the Platte River basin.

Science.—The initiatives that I have discussed today all have science as an integral component, as do many other aspects of the ongoing operations of the land management agencies. Whether it is improving our knowledge of the hydrology of the Everglades or developing a scientific understanding of the biological, chemical, physical and historical factors leading to avian and fish mortality in the Salton Sea, the work of the U.S. Geological Survey is critical to sound resource management decisions.

The 1999 request for USGS includes a net increase of $49 million over 1998. The request includes the increases supporting the Clean Water initiative that I mentioned earlier, as well as an additional $7 million for greater public access to water quality information, $11 million for species and habitat research and $2.5 million to expand the EROS Data Center's archiving capacity. I am pleased to report that these increases reflect improved orientation of USGS to the research and data needs of land managing agencies, as well as of other Federal, state and local agencies and the public, and expanded synergy between the biological and earth sciences in the "new" USGS.

One increase that I want to discuss specifically is a $15 million request in our budget to implement a Disaster Information Network. The USGS is the national leader in both managing and disseminating spatial data and earth-science information and in monitoring natural hazards such as earthquakes, volcanic eruptions, landslides, and coastal erosion. This new network will be built on existing resources by a multi-agency Integrated Program Office hosted by USGS. The network will ensure that the timely, reliable information is available to a wide range of users so that losses due to natural disasters can be minimized. The network will take full advantage of new communications technologies and the rapidly growing capabilities of the information superhighway to help communities become more resilient to natural disasters.

Safe visits.—The Department manages an extensive infrastructure in parks and refuges and on public lands and Indian reservations. Many of our facilities are over 100 years old; some were built by the Civilian Conservation Corps in the 1930's; and some were erected in the 1950's and 1960's as part of the Mission 66 program. As use and visitation increases, these aging facilities present serious rehabilitation and repair needs.

To meet these needs, the 1999 budget proposes the first year of a five-year program to address critical health and safety needs in maintenance and construction, as well as needs for ongoing natural and cultural resource protection. This funding will help ensure safe visits for visitors to parks, refuges and public lands. It will also make sure that the 45,000 employees who work daily in NPS, BLM, FWS and BIA facilities have safe work environments and that the 53,000 students who attend BIA schools have safe school environments.

The 1999 budgets for maintenance and construction will total $849 million, which represents a net increase of $68 million over the 1998 enacted level. For maintenance programs, it represents an increase of $82 million, or 18 percent, over 1998

to tackle the most pressing deferred maintenance needs. For construction there will be a decrease of $14 million to better focus efforts during the first year of the five year program. Construction funding will increase in the outyears. Over five years, we will propose maintenance and construction increases that will total $700 million over a straight-lined 1998 base. These amounts will be supplemented by fee revenues. Under the current Fee Demonstration program, NPS will be able to keep $136 million in fee receipts in 1999. The budget proposes to build on this success by permanently authorizing a new fee program. The budget also proposes park concessions reform legislation that will allow NPS to enhance performance and use franchise fee receipts for park improvements.

As the first step of the five year program, we have developed uniform criteria and prioritized lists of critical health and safety and resource projects for 1999. Our goal is to fund the projects posing the greatest risks to the public and employees.

As the next step, the Department will begin to develop a five-year plan to meet maintenance and resource needs to be used to formulate the 2000 budget request. Using agreed upon definitions, we will better identify and categorize our deferred maintenance needs and begin to schedule and fund the highest priority needs. We will also be looking at the appropriate funding levels for routine and cyclic maintenance to ensure that the inventory of deferred maintenance does not continue to grow.

Law enforcement in Indian country.—The 1999 budget for the Bureau of Indian Affairs is $1.84 billion, an increase of $142 million above the 1998 enacted level. Included within the increase are funds to pay the costs of increasing school enrollment, to replace three schools, and to support various self-determination programs. Of great importance is a $25 million increase to strengthen core law enforcement functions in Indian country by increasing the number of uniformed police officers and criminal investigators and by strengthening basic detention center services. This initiative responds to the current public safety crisis in Indian country. Crime rates on Indian lands have increased significantly, hindering the efforts of Tribes to establish stability in their communities. The homicide rates on some reservations have equaled or surpassed levels in many large cities. To respond, Indian communities have only 1.3 police officers per 1,000 citizens, compared with an average of 2.9 per 1,000 in non-Indian areas with similar population density. Many Tribes lack adequate funding to provide a basic level of security in their communities, such as 24 hour police coverage.

The law enforcement increase for BIA is part of a larger effort that will provide $182 million in new and redirected Federal funds to support Indian country law enforcement, a 100 percent increase over 1998. To encourage clear communication and continuity between the Federal government and Tribes, BIA will maintain primary responsibility for law enforcement, with important technical assistance and support from the Department of Justice. The Justice budget proposes an increase of $51 million for additional FBI agents and assistant U.S. Attorneys, as well as for several targeted programs on reservations, such as drug testing and treatment, juvenile justice, and assistance to tribal courts. Justice also proposes to direct $52 million in correctional grant funding for detention center construction in Indian country and dedicate over $54 million for Community Oriented Policing Services on reservations.

Trust programs.—The request for the Office of the Special Trustee is $42.0 million, a $8.1 million increase over 1998. The request supports the implementation of portions of the Special Trustee's Strategic Plan that focus on improving the performance of our current responsibilities: acquisition of trust systems, records clean-up, and elimination of trust asset processing backlogs. I'm pleased to report, that significant progress in these areas has occurred over the past year. A comprehensive high-level implementation plan for the Trust Management Improvement Project is being finalized and several sub projects are well underway. In January 1998, OST commenced an 18 month individual Indian money account data clean up contract and this month will award a contract for a commercial off-the-shelf trust fund accounting system.

In BIA, the budget includes an increase of $5 million to address probate and land records processing backlogs. The budget also proposes $10 million for BIA to initiate a pilot program on one or more reservations to consolidate fractional interests in allotted land. It is not uncommon for as many as 100 to 300 individuals to hold undivided interests in a single allotment. This fractionation taxes the ability of the Government to administer and maintain records and accounts. It also makes it increasingly difficult for Indian owners to put their lands to productive use.

On the authorizing side, the budget assumes enactment of the Administration's tribal trust fund settlement process legislative proposal, which is expected to be submitted to the Congress this month. The proposed legislation is the culmination of a five-year, $21 million effort to reconcile tribal trust fund accounts. The legislation

will lay out a process designed to acknowledge and respect tribal sovereignty by using alternative dispute resolution mechanisms.

MMS.—The resurgence in Gulf of Mexico leasing activity that we reported in the 1998 budget will continue into 1999. There have been four record-breaking lease sales in the Gulf over the past year and a half and a sustained level of exploration and development activity. Industry's interest and investment in the Gulf are spurred by dramatic advances in technology; the discovery of extremely prolific reservoirs; reductions in exploration and development costs; and the economic incentives provided by the Deep Water Royalty Relief Act.

In response to this resurgence, we have requested a 1998 supplemental appropriation of $6.7 million and an annualized increase of $7.5 million for 1999. I am pleased and gratified that the Subcommittee chose to include the $6.7 million in the supplemental bill that passed the Senate last week. These increases will put MMS on firm footing to effectively perform its regulatory responsibilities to ensure continued safe and environmentally sound development of the OCS. This investment, which will be fully offset by increased offsetting receipts, is modest compared to the return it will generate. OCS bonuses, rents and royalties constitute the largest category of the $7 billion in receipts (equivalent to 90 percent of the Department's budget) that the Department collects.

The Millennium Fund.—The initiatives that I have discussed all respond to immediate 1999 needs, but also position the Department to meet the challenges of the 21st Century. One proposal in the budget is explicitly a proposal for the 21st Century. The legacy of defining moments in American history is literally fading away in deteriorating archives, crumbling monuments, and moldering leather. The celebration of the turn of the century is an opportunity to showcase the preservation of America's history and culture for ourselves and for the world. To seize this opportunity, the budget proposes a $50 million grant fund to preserve the fabric of America's heritage, ensuring that the citizens of the 21st Century have the same opportunity that we have had to observe and enjoy the Star Spangled Banner, objects gathered by the Lewis and Clark expedition, and instruments in the laboratory of Thomas Edison.

Using the existing legal framework of the National Historic Preservation Act, $25 million is proposed to be distributed to States, Tribes and territories. With the exception of grants to Tribes, this amount will be matched on a 60/40 basis by non-Federal funding. The remaining $25 million is proposed to be made available to Federal agencies for the preservation of artifacts of national scope and significance.

Conclusion.—I believe that the 1999 budget for the Department of the Interior addresses the challenges that we will face in our 150th year. I look forward to working with you on these challenges and on the challenges we will face in the 21st Century.

This concludes my statement. I will be happy to answer any questions you may have.

FEE DEMONSTRATION PROJECT

Senator GORTON. I probably have about 2 hours worth of questions, Mr. Secretary. You will get maybe 10 minutes of them before I have to leave for the Commerce Committee markup, because I do want others to—I will go then to Senator Byrd and whichever is the last Senator here can adjourn the meeting, if he will. And every member, whether present or not, will be authorized to submit written questions.

I would like you to give me a brief briefing on what I hope has been one of the real success stories, and that is the fee demonstration project. How much money are you bringing in? What is it being used for? And when are we going to get an administration recommendation as to how to make it permanent?

Secretary BABBITT. Senator, I think this program has been an outstanding success, visibly in the Park Service, but in the other land management agencies, as well. I believe, in this fiscal year, the Park Service anticipates collecting, net of collection costs, close to $132 million. I actually thought it was closer to $300 million. Well, my trusted source says $140 million.

Now, virtually all of that money is going back into this issue of repair and maintenance and upkeep. And I think it is making a very significant difference that you can actually see. We have said to park superintendents: We want you to do what some States do with their highway money. For every dollar they spend, there is a billboard on the site, saying: Courtesy of your elected representatives and the wisdom of your political leaders, this money is now moving out. We want to advertise the success. And I think we are doing it.

Now, when do we submit a bill?

I think it has been the view of OMB that that should be a fiscal year 1999 project. That is a judgment call. I guess I would rather have a bird in the hand. But, in any event, no later than January we will have a draft legislative proposal for you.

Senator GORTON. Thank you.

COLUMBIA BASIN ECOSYSTEM MANAGEMENT PLAN

You mentioned in your opening statement the frustrations in the Columbia basin ecosystem management plan as against some of the things that you are doing elsewhere. Personally, I think, from my contacts with my own constituents, that a large part of that lack of success is that both the people who live in the Basin and Congress were assured that this large-scale planning would result in a prompt determination of final land management decisions. So far, what it has done is to add a huge amount of interagency consolidation in a bureaucratic process that seems to be in addition to a cumbersome local planning process.

Once the consultation process is completed in the Columbia basin study, is there any assurance that the subsequent consultation at the local level will be eliminated or substantially reduced?

Secretary BABBITT. I understand that that question is not exactly unsubstantiated by some of the stuff that has gone on. But there are two things, I think. The first is, at the point that a plan is signed off, it then needs to be wrapped into the 74 separate land management plans. Now, we have had a lot of discussion about that, and I believe that can be done quickly and that it should obviate the need for a lot of flow-down decisionmaking.

The other issue that people are worried about is consultation under the Endangered Species Act, which often turns out, at least in the eyes of many, to be the problem. In the forest plan, I think we have really spiked that problem. We now have consultations on timber sales coming out routinely in less than 60 days. And I think we can do that under this plan.

PRESIDIO

Senator GORTON. Just one more from me. Now that we have a Presidio Trust, why is the amount of money you are asking to spend going up rather than down?

Secretary BABBITT. Senator, the extra $25 million is in the form of a request from the Presidio Trust for the equivalent of bonding authority, to be exercised through the Treasury to begin the rehab and repair of a lot of those buildings that they believe there is a rental market for. That is the bottom line. They say they want to

issue bonds so we can amortize them with rental proceeds. That is the entire increase.

Senator GORTON. What will the likely request be for next year, then, in the next budget cycle? Will it go down?

Secretary BABBITT. Only the Presidio Trust can answer that question, Senator. I remind you that this is now an independent body, which does not take lightly excessive intermeddling from the Secretary of the Interior. But I believe that the answer is yes, that it should go back down. This is a one-shot bonding authority request.

Senator GORTON. Mr. Secretary. I apologize again for the almost inevitable conflict, in this case with the tobacco markup. Senator Byrd is next, and then Senator Bumpers, who has just come. Let me tell you, Senator Bumpers, I have to go and Senator Stevens has already had to leave for the tobacco markup. So the questions will simply follow in order of the last Senator here and adjourn the hearing with the Secretary. And each Senator, of course, will have the right to submit questions in writing in addition to those that he or she has asked in person.

And with that, thank you very much.

Senator Byrd, it is your turn.

Senator BYRD. Thank you, Mr. Chairman.

CORRIDOR H

Mr. Secretary, pursuant to the Historic Preservation Act, the National Park Service has responsibility for evaluating the potential impact of Federal highway projects on historic sources. As you may know, efforts to construct and complete corridor H in my State of West Virginia have been subjected to litigation and delay ad nauseam by opponents of this highway.

My support for corridor H is no secret. I have also been steadfast in my desire to see that appropriate procedures are followed in a timely manner. Specifically, I am concerned that opponents of this project—and there is a small group, highly vocal opponents, most of which I suppose are West Virginians, some of whom are from out of State and some who have just recently come to West Virginia possibly—I am concerned that the opponents of the project may be causing undue delay through repeated requests for extensions of comment and review periods by the keeper of the National Register.

I wrote to you on November 25 of last year and again on March 1 of this year regarding these concerns. I have not yet received a response to my March 1 letter. I have been very careful not to question the substance of the issues involved, but rather to raise concerns regarding the time and the delays that have plagued this process.

What can you tell me about these review periods and the extensions thereto, Mr. Secretary?

Secretary BABBITT. Senator, like you, I have been exceedingly careful not to voice or even intimate an opinion on the merits. As you know, I have been burdened with a special counsel over entirely false allegations that I intervened in a regulatory decision. And so I too am quite sensitive about this.

The time periods for decision are an appropriate issue of inquiry. And I have in my hands a draft letter, with a handwritten note on it from my staff, saying: "To be signed today." I suspect that note may or may not have been written. But, at any rate, it is now to be signed today, and says as follows:

We expect the information, the documentation, from the Federal Highway Administration early in April. Now, that is No. 1. We have got to get the material from them. Perhaps they will get wind of this hearing and what I take to be your strong desire that they submit this promptly.

After that, I will lean on the keeper and make certain that a decision is made within 45 days from the date of submission from the Federal Highway Administration.

Senator BYRD. Well, I thank you, Mr. Secretary. You have always been very responsive to our needs and our requests.

To date, the National Park Service has not kept to its own deadlines in responding to requests from State officials. Can I be assured that the Department and the National Park Service will complete their work expeditiously, within the timeframes that the National Park Service itself established?

Secretary BABBITT. Senator, this is with respect to many projects, a particular project?

Senator BYRD. I am talking about this particular project.

Secretary BABBITT. Oh, this particular one. Yes; the answer is "yes."

Senator BYRD. The submissions by the State in April, can we be sure that the review will be within the 45-day period?

Secretary BABBITT. I vow to you that you will have a response in the form of a decision within that timeframe.

ROLE OF STATE HISTORIC PRESERVATION OFFICER

Senator BYRD. Another concern that has surfaced in West Virginia is that the professional judgment and considerations of the State Historic Preservation Office are not being fairly treated and reviewed by the keeper of the National Register. What is the role of the State Historic Preservation Officer and the keeper in reviewing the impact that a project will have on cultural resources, listed or eligible, to the National Register of Historic Places?

Secretary BABBITT. Senator, I would have to answer specifically in writing after looking at the statute. But I believe, generally, the question is, does the keeper decide based upon the recommendation or does the keeper concur? I believe it is the former. I believe the keeper actually has jurisdiction to make a de novo decision after considering the recommendation of the State Officer. But I would like to confirm that in writing.

Senator BYRD. Very well.

[The information follows:]

THE NATIONAL REGISTER OF HISTORIC PLACES—DETERMINATIONS OF ELIGIBILITY

National Park Service regulations (36 C.F.R. 63) assign the Keeper of the National Register responsibility for determining whether properties that may be affected by Federal or federally assisted projects meet the National Register Criteria for Evaluation. If properties listed in the National Register or found eligible for listing are to be affected, the Advisory Council on Historic Preservation must be given an opportunity to comment on the project.

Paragraph 2 of the regulations specifies that "The Department of the Interior will respond within 45 days of receipt of a documented request for a determination of eligibility from a Federal agency when it is submitted in accordance with the following regulations and is accompanied by documentation that clearly portrays the nature and significance of the property." If the documentation is "not sufficient to make a professional evaluation of the significance of the property," the Keeper is directed to request additional information. The regulations then provide that the Keeper will respond to the agency's request within 45 days of receipt of the requested documentation.

Since 1983, the National Register has received five requests for determinations of eligibility, including 57 properties in West Virginia and 2 properties in Virginia that might be affected by Corridor H. The Federal Highway Administration (FHwA) was asked to submit additional information on three of these requests. Corridor H Alternatives, an official consulting party, asked that the review periods for two requests be extended to enable them to prepare comments on FHwA's recommendations concerning eligibility. In view of the importance of having all possible relevant information before making decisions on this important project, the National Register staff concluded that it was appropriate to extend the review periods for a reasonable time. The additional material submitted by the FHwA and by Corridor H Alternatives and other members of the interested public has, in fact, provided important information that needed to be taken into account in making decisions about eligibility. In all cases, the National Register staff has made its determinations within 45 days of receiving the information necessary to permit informed evaluation of the properties involved.

The National Register staff has been informed that the FHwA will be submitting requests for determinations of eligibility for a number of additional properties that may be affected by the Corridor H project over the next few months. The Department of the Interior is committed to making all decisions concerning determinations of eligibility as expeditiously as possible consistent with the National Park Service's responsibility to base these decisions on the most complete and accurate information available.

THE ROLE OF THE STATE HISTORIC PRESERVATION OFFICER AND THE KEEPER OF THE NATIONAL REGISTER OF HISTORIC PLACES

The National Historic Preservation Act of 1966, as amended, assigns the State Historic Preservation Officer (SHPO) an important role in consulting with Federal agencies on their undertakings that may affect historic properties and on the content and sufficiency of any plans developed to protect and manage or to reduce or mitigate harm to such properties [Section 101(b)(3)(I)]. The Keeper of the National Register also asks the opinion of the SHPO concerning the eligibility of the properties on which Federal agencies have requested a determination of eligibility and gives that opinion careful consideration in evaluating the properties. Under the statute, however, the responsibility for making determinations of eligibility rests with the Department of the Interior. Department of the Interior regulations assign that responsibility to the Keeper of the National Register of Historic Places.

In the case of properties that might be affected by Corridor H, the Keeper has agreed with the West Virginia State Historic Preservation Officer's opinions on the eligibility of 51 of the 57 West Virginia properties for which determinations of eligibility were requested. All of the properties on which the National Register and the SHPO disagreed were related to the site of the Civil War Battle of Moorefield and the Old Fields Historic District, in the Middle South Branch Valley, in Hardy County. A variety of interested individuals and organizations, including but by no means limited to Corridor H Alternatives, questioned the opinions of the FHwA and the SHPO concerning the eligibility of these two areas and asked that both questions be referred to the Keeper for a final determination.

STATE HISTORIC PRESERVATION OFFICE

Senator BYRD. Let me just say again that the concern that has surfaced in my State is that professional judgment and the considerations of the State Historic Preservation Office are not being fairly treated and reviewed by the keeper of the National Register. Under what circumstances would the keeper overrule the recommendations of the State Historic Preservation Officer?

Secretary BABBITT. Senator, I think I need to go back and look at the statute, and I will respond. And this response will not take 45 days.

Senator BYRD. All right.

Is it your view that the keeper must take extraordinary steps to remain impartial and objective in these reviews?

Secretary BABBITT. Senator, as I intimated earlier, yes. I mean, when this Congress passes a regulatory statute, requiring or authorizing decisionmaking on specific issues that are regulatory and quasi-judicial, I think that is important.

Senator BYRD. Well, the perception is that, as I understand it, based on my conversations with my constituents, that the keeper is not always impartial and objective in the reviews that affect this particular highway. What steps can the Department take when there are concerns that one side or another may be receiving more favorable treatment?

Secretary BABBITT. Well, I would of course be willing to restate to the keeper her obligation to be fair and impartial, and I think also to re-examine and make certain that the process is as transparent as possible, in terms of having public input and making certain that there are not any substantive communications going on outside of the record or outside of whatever public process is established.

Senator BYRD. When you make that clear—and perhaps you have done so before; I do not know—when you make that clear, will you do that in writing?

Secretary BABBITT. Senator, I will.

Senator BYRD. Would you supply the subcommittee with a copy of your letter?

Secretary BABBITT. Senator, I will.

[The information follows:]

THE KEEPER OF THE NATIONAL REGISTER OF HISTORIC PLACES NEED FOR OBJECTIVITY

The Keeper of the National Register is well aware of the importance of fairness and objectivity in all decisionmaking, including determinations of eligibility. The Keeper and other appropriate National Register staff members carefully review all available information to ensure that these decisions are based solely on a professional, disinterested evaluation of the historical significance and integrity of the properties involved. Secretary Babbitt has written a memorandum to the Keeper reemphasizing the importance of objectivity and impartiality in making decisions about eligibility, as he committed to do in response to Senator Byrd's expression of concern about this matter. If questions are raised about the Keeper's ability to make a fair and objective decision in a particular case, the matter can be referred to the Department of the Interior Ethics Office for an opinion. A copy of this letter will be provided to the Committee.

COMPLETING THE NECESSARY REVIEW

Senator BYRD. I cannot stress to you enough, Mr. Secretary, the importance of completing the necessary reviews within the time specified. And I think you personally feel that way about it. I have not seen anything to the contrary ever. The State is doing everything that it can to be cooperative in responding to repeated requests for more and more information. The least that the Department can do is to respond to these requests in a timely manner.

Now, Mr. Secretary, I will look forward to receiving a copy of that letter. And I, again, thank you.

REDUCTIONS IN HERITAGE EFFORTS

I understand your commitment to providing resources for important administrative initiatives. I am troubled by some reductions in the budget which appear to be targeted at congressional priorities. In my State of West Virginia, for example, the National Park Service budget eliminated funding for ongoing support of heritage efforts in Wheeling. And comparable efforts in Alaska, Pennsylvania, and Washington are also targeted for elimination.

With all of the increased funding proposed in the budget, I wish that the Department could have found a way, at a minimum, to continue these ongoing programs. Last year's funds were not for one-time activities in Wheeling. The city and its partners have been working cooperatively with the National Park Service, consistent with the plan jointly developed several years ago. I have been very supportive of this initiative, and I remain so committed. I intend to work closely with Senator Gorton to ensure that there is no disruption to the ongoing program in Wheeling, and that funds are restored, if not enhanced.

Mr. Secretary, I, like others, have some other commitments. But I want to thank you again for your appearance here and for your cooperation. I have always found it to be excellent, and I am proud to say so publicly. I was glad to see you up at the dedication last fall of the training center at Terrapin Neck. I hear many good things about that national conservation training center. And it is truly a spectacular facility, and one for which I believe all in the Service and in the Department can be proud.

I may have a few additional questions which I will submit for the record.

Secretary BABBITT. Senator, I would just like you to know that with respect to that training center, I canceled out of a trip to Argentina with the President in order to honor your request to be there. [Laughter.]

Let me just say it was the right decision. [Laughter.]

Senator BYRD. Thank you very much, Mr. Secretary.

Senator CAMPBELL [presiding]. Mr. Secretary, I believe it is my turn. I will not ask you a bunch of questions because I have to run, too. But let me thank you on the record for your involvement last year in what we call the Rim Rock Run in Colorado. It was a marathon run through Colorado National Monument. And with your personal input, that run was a very big success.

It is my understanding that the Park Service is now very close to a suitable compromise between protecting the integrity of the Park and allowing the organizers to have another one. And I am looking forward to them doing it. They have worked all year on it—both sides have. And so I just wanted to thank you for that.

SAND CREEK MASSACRE SITE

And also I would ask you if you would look, when you have time, at S. 1695, a bill I just introduced, that would allow the Park Service to purchase a small area in Colorado that is called the Sand Creek Massacre Site. The problem with it is we do not know ex-

actly the location of the site. We know very closely where it is. But for about 3 years, the State of Colorado Historical Society has been researching that area. They do not have the expertise, equipment, or the kinds of things they need to actually measure some of the underground contents, you know, being able to find shell casings and so on.

And when we did a hearing on this about a week ago, Ms. Katherine Stevenson, she did testify on the part of the Park Service, and called it an extremely worthy project. And we are hoping that maybe the National Park Service will be able to help the State of Colorado define exactly where that is before we actually move forward with that purchase. So if you would kind of look at that bill, I would appreciate it.

Secretary BABBITT. I would be happy to do so.

PRESIDIO BUILDINGS STATUS

Senator CAMPBELL. And just let me also say that, since Senator Gorton mentioned the Presidio, that I was the chairman of the Park subcommittee a couple of years ago, and I understand the request for some money. Over half those buildings qualify on the National Historic Registry, as you know. Some of them are in pretty bad disrepair. And I know that without some money going there, they will just have to be torn down. In order to get them rentable, we have to fix them up. So I do understand that request.

And I thank you for your appearance today.

Secretary BABBITT. Thank you, Senator.

Senator BUMPERS. I am sorry, were you here when I came in?

Senator BENNETT [presiding]. I was. And I would normally yield without any problem except I have to chair another subcommittee in about 5 minutes. So if I may, Senator, I would appreciate it.

Mr. Secretary, two quick things. In my opening comment, I gave you an invitation to come to Utah and visit the San Raphael Swell this weekend. And that stands. If it is impossible for you to rearrange your schedule that quickly, I would be happy to find a time, sometime in May, where you and I could go visit that, where Pat Shea is going to visit.

I think this represents the best opportunity for resolution of Utah wilderness issues. The approach of the Emory County group, working in the San Raphael Swell, seems to have the approval of just about everybody reasonable on every side of this issue. And if you could come with Pat Shea on Saturday, as I say, I will rearrange my schedule and be there. If you cannot make it on Saturday, let us see if we can find a time where we can jointly be there.

I found, when the two of us show up together, things usually are a little better than if one or the other of us is standing there.

Secretary BABBITT. Well, people are always surprised, are they not?

Senator BENNETT. Yes. Yes.

Secretary BABBITT. Senator, if I can just respond to your invitation.

Senator BENNETT. Yes.

Secretary BABBITT. I cannot go on Saturday. And one reason is because I am going to be in Utah tomorrow.

Senator BENNETT. Oh, OK.

Secretary BABBITT. But I would like very much to accept your invitation to go out perhaps sometime during April. I have accepted an invitation from Congressman Hansen to go in search of the Bonneville cutthroat.

Senator BENNETT. I see.

Secretary BABBITT. And perhaps we could, back to back, on successive days.

Senator BENNETT. That is a fish, for those who do not know. [Laughter.]

Secretary BABBITT. I have never seen the San Raphael Swell. And yes, I accept.

Senator BENNETT. All right, fine. We will find a date. And I appreciate your willingness to do that.

VIRGIN RIVER

The other issue I would like to raise with you is a year ago, roughly, Assistant Secretary Bob Armstrong issued a decision regarding Wild and Scenic Rivers designations in Arizona. And much to our surprise and chagrin, because we were neither consulted nor notified in advance, he saw fit to include the tributaries of the Virgin River as part of that recommendation.

This threatens the delicate balance of the Virgin River habitat management plan that we have been working so hard with your Department to hammer out. And the members of the Utah delegation sent a letter to you on October 22, 1997. As of today, we have yet to receive a response.

Secretary BABBITT. Senator, I will look into that. Because I readily acknowledge that we have made a lot of progress together, with the State and the local communities, on the Virgin River. What is emerging there, we have already actually accomplished some of it in terms of the Zion settlement, with a lot more to come. And if this is viewed as destabilizing all of that progress, I will look at it and get back to you.

Senator BENNETT. We would appreciate it. It is uncharacteristic, I must say, for the record, for us not to receive a proper response from your Department. I have not had exactly that experience with the Council on Environmental Quality. And we have had some rather heated exchanges in this room on that issue.

But your Department, even when the response has not been what we have wanted, has always been responsive. And so I wanted to call to your attention the fact that this letter from last October has been there, and I would appreciate a response. And I appreciate the spirit of your comment here, and hope we can work this out.

Thank you.

Senator Bumpers, I now have to leave, and it is all yours.

Senator BUMPERS. Thank you very much, Senator Bennett.

ESA AND MONEY FOR PRIVATE LANDOWNERS

Mr. Secretary, are you familiar with the so-called Chaffee-Kempthorne-Baucus-Reid Endangered Species Act?

Senator BENNETT. Add Bennett to that list.

Senator BUMPERS. The bill would provide money for private landowners who are willing to take certain steps to protect various species. Are you familiar with that?

Secretary BABBITT. Senator, I am.

Senator BUMPERS. Are you also familiar with the language in the budget resolution conference report which says that this program will cost $70 million a year over 5 years, so we are talking about $350 million?

Secretary BABBITT. I am.

Senator BUMPERS. And I am sure you are also familiar with the proposal of the budget committee to pay for that by selling off BLM lands?

Secretary BABBITT. Yes; I am.

Senator BUMPERS. Tell us, in 1 hour or less, how you feel about that. [Laughter.]

Secretary BABBITT. I am strongly opposed. I do not believe that it is good policy to finance ongoing responsibilities of my Department by a sale of Federal assets.

Now, in addition to that, I think the proposal, even were it to be conceptually acceptable, is totally unrealistic. And why is that? Because this idea that there are a lot of excess BLM lands out there that can be auctioned off is not a realistic view of the BLM land base. BLM, in its land use plans, identifies surplus lands. And there is in fact a list of them. And they are potentially available for consolidation or other purposes.

What kind of lands are they? They are bits and pieces, here and there, from land conveyance policies of the past. They tend to be rangelands—a bunch of them on our family's ranch. And I will tell you how my family feels about that. They feel the way that most ranchers in Arizona do. And that is, they do not have the slightest interest in purchasing lands that they now get discount grazing deals on and pay no taxes on. Why in the world would they want to purchase them and start paying taxes on it?

There is no market for the land that people usually think of as being surplus. The only way to dispose of them in most cases is through land consolidation, where you arrange mutually beneficial land exchanges. And in fact, there are ongoing programs to do that.

Well, I guess you have by now divined where it is I stand on this issue.

Senator BUMPERS. Yes; well, we have an amendment pending right now on the budget resolution. Senator Reid and I have a minor disagreement. He has an amendment which says that the money for the bill, S. 1180, the so-called Endangered Species Act, the money would come from dedicated revenues.

And I had understood you were looking for some source. I am not sure I am so hot on that. It just seems to me like a $1.7 trillion budget, we ought to be able to find that money somewhere to pay for that.

The other point I want to make for the record, and for any comment you might have, is I think James Watt, who wanted to selloff everything, from the Nation's Capitol down to the rangelands of the West, prepared some BLM lands for sale with the consent of the Congress. And it turned out it was a loser. It cost more to prepare the sale and advertise and so on than the land actually brought.

I am not sure what the prices were, but they get less for the land than it cost to prepare for the sale.

But as you say, most of these lands are under grazing permits—why would anybody buy land that they already have and are not paying taxes on and so on?

One other point. This afternoon, the Energy Committee is holding a hearing on a very extensive bill by Senator Craig Thomas. And that bill changes rather dramatically a lot of national parks and the way they operate.

CONCESSIONS REFORM

Now, as you know, I have been discussing trying to reform the concession laws in the national parks for 16 years. And Senator Bennett, when he came to the Senate, became an ally of mine on that. And I remember one day in the Energy Committee, he lectured the Republicans, who were taking strong opposition to my position on it. And he said, you know, we are Republicans, we are supposed to believe in competition and the free enterprise system. What is this first right of refusal and all this stuff?

And we passed the bill. After his lecture, we passed the bill out of the committee. And it passed the Senate 90 to 9, and promptly died in the House. That is as close as I have ever come to getting a major reform in the park concessions.

But, in any event, there is also a provision in the bill—and we are going to have four or five hearings on it, because it is a very comprehensive bill—but there is a provision in the bill where increased revenues—you remember we raised park fees—and there is a provision in this that we take some of the increase of the park fees to put into some sort of a ranger training program.

Now, I am not opposed to training park rangers. But it was the absolute understanding of the Members of Congress that those fees were being raised to do maintenance work in the parks—a lot of maintenance work that, you and I both know, probably runs into the billions, that needs to be done. And I am going to try to attend a part of that hearing this afternoon and take exception to that. Though I do want to compliment Senator Thomas for at least coming up with a parks concession proposal. And he and Senator Bennett and I are going to sit down very shortly and try to work something out.

I would like to leave some legacy here, after 16 years of effort, of doing something on parks concessions. I do not know whether I will succeed or not.

Secretary BABBITT. Senator, if I may, just a word on the concessions issue. I am in a very cautious mood about concessions reforms, because most of the proposals that are floated I think are, in many ways, worse than the present situation. In the meantime, the Park Service has made considerable progress in getting a return on concessions into the support of the park system. Basically, that began with Secretary Lujan, in the Yosemite concession.

So I think we are skeptical, or at least in a kind of a Missouri frame of mind, about proposals.

Senator BUMPERS. Mr. Secretary, let me interrupt you at that point. I recognize that revenues have been going up for the Park Service. I think maybe $50 million last year. But a big portion of

that was because of one contract that was let competitively. And that was Yosemite. Thirty-five percent of your revenues are coming from Yosemite.

And my other point is we have narrowed this down to three propositions. No. 1, right of first refusal, or first right of refusal. That is an anachronism in this day and time. No. 2, possessory interest. These things are not well known to other Senators who do not deal with this issue, but possessory interest is crazy. And those are two of the things. And of course the exemption. And we are talking about exempting roughly all but maybe—I forget how many—but if you exempt everybody that has revenues of $1 million or less, you wipe out most everybody except some of the bigger parks. And we have agreed to do that. I mean we have already reached an agreement on that.

But possessory interest first right of refusal, as far as I am concerned, those are anachronisms from the dark ages.

Secretary BABBITT. Senator, I agree with all of that. We can address those issues, to some degree, through administrative reform. There is no legal requirement for right of first refusal. We can do competitive bidding. Competitive bidding is chilled, if not frozen, by the concessionaire's possession of a large possessory interest. We are doing possessory interest buy-downs in our new concession contracts.

Legislation would be helpful, but not the wrong legislation. Now, for example, the proposal that the hearings are being structured on privatizing the management of Park Service concessions.

Senator BUMPERS. Well, now, you and I are in agreement on that. And that is the sticking point between Senator Thomas and me. And I hope we can work something out.

Secretary BABBITT. OK. Well, it would be unacceptable to the Park Service, and I think it is a bad idea.

Senator BUMPERS. Well, I have taken up too much time. I have a couple of other questions. I may submit a couple of questions in writing.

Senator Cochran, if you are the last, you get to adjourn the hearing.

Senator COCHRAN [presiding]. Thank you.

Mr. Secretary, thank you very much for your cooperation with our committee. I have enjoyed very much having the opportunity, as a member of this appropriations committee, to work on solving a lot of problems in our part of the country that come under the jurisdiction of the Department of the Interior. And as you know, we both serve on the Migratory Bird Conservation Commission, and we have worked to try to help make the national wildlife refuge system an important and an enlarged part of our conservation resource effort.

YAZOO COMPLEX NWR

We have one part of the refuge system in Mississippi that needs some attention right now because of a fire that occurred, and destroyed one of the multiuse buildings at the refuge headquarters. It is at the Yazoo complex, which is the largest national wildlife refuge in Mississippi, comprising over 70,000 acres in five different units.

I bring this up because this is an event that occurred just recently. And I am not sure, and the local managers are not sure, about access to funds that would permit them to rebuild that multiuse building a that refuge. I raise it in hopes that you will support providing funds in our appropriations bill to take care of that. It probably should have been put in the supplemental. But everybody says the supplemental is being used for all manner of things that are not emergencies. And so we decided to wait and submit that. We hope we can have the support of your office to get that appropriation approved.

Secretary BABBITT. Senator, I would be happy to have a look at that. It seems to me that replacement falls in a high priority category, no matter how you stack it up. In any event, I will respond in writing to you.

Senator COCHRAN. Thank you very much.

[The information follows:]

FIRE DAMAGE AT THE YAZOO NATIONAL WILDLIFE REFUGE

On March 6, 1998, a fire destroyed the multi-use shop building at Yazoo Refuge Complex in Mississippi. The refuge's mechanical and wood working shops, tools, and other equipment stored in the building need to be replaced. The estimated cost is $621,000.

The fiscal year 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174), signed by President Clinton on May 1, 1998, provides the $621,000 for building and equipment replacement.

NATCHEZ TRACE PARKWAY

Senator COCHRAN. One other point I wanted to make this morning, and one of the reasons I came over, was to remind the committee and also the Department of the importance in our State of completing the Natchez Trace Parkway. I have been in Congress long enough to see a lot of new and ambitious undertakings by the Department of the Interior and the National Park Service to the detriment of some of the older and earlier authorized projects. The Natchez Trace Parkway was authorized for construction in 1937, the year I was born. And it is not yet complete.

When it was authorized, the States of Mississippi, Alabama, and Tennessee all agreed that the States would acquire the right-of-way along the trail that was then the Natchez Trace Trail that traverses the area from Natchez, MS, to Nashville, TN. And in exchange for the States going to the expense of obtaining right-of-way and then deeding that to the Federal Government, the Federal Government and the National Park Service would construct a roadway along this historic trail.

You know as well as anyone what an interesting historical area this is. Meriwether Lewis died on the parkway. As a matter of fact, I was talking with officials just recently about trying to have some kind of appropriate historical exhibit there at that place, and to try to work to do that. That part of the parkway is across the line, over into Tennessee.

All of the parkway is completed now in Tennessee and in Alabama. Some of the most expensive appropriations were required in that area, because of the terrain and the bridges that had to be constructed. But it is also arguably some of the most scenic because of that terrain.

But there is very little that needs to be done now. But we see such small, little increments of funds being made available that it just keeps remaining the same—the costs continue to be the same or even get higher, even though each year we add a little more to it. With those funds, we make a little more progress.

But now it is getting to the point where we are running into situations where there are maintenance requirements that we have got to deal with. Here is one example:

In the metropolitan Jackson, MS, area, the Natchez Trace Parkway crosses over U.S. Highway 51, just north of the city limits in Jackson. At that time, U.S. Highway 51 was the major transportation corridor, north-south corridor, between Jackson, MS, Memphis, TN, St. Louis, on to Chicago. That was the major midcontinent highway. Well, that has been replaced now with an Interstate System; I–55 traverses parallel to U.S. Highway 51.

But the point of my story is U.S. Highway 51 has now become a four-lane and, in some places, a six-lane artery for vehicular traffic coming into the city of Jackson from the suburbs that have developed in the metropolitan area north of the city. The problem is the Natchez Trace Parkway bridge that crosses over old U.S. Highway 51 still accommodates that two lanes of U.S. 51. So you have got all these people riding along on U.S. 51, and all of a sudden from six lanes, it goes to four lanes, and then, you are in a two-lane situation.

You can imagine the backup of traffic into the Jackson City limits area, south, and then into the residential and business areas that lie north of that area. It is a terrible bottleneck. It has gotten to be somewhat of an emergency, and we must get the attention of the National Park Service and put this as a priority again, It is a dangerous situation. It contributes to accidents and a lot of other problems.

We do not want to shut down the parkway there. There is no way to really relocate it and avoid this area. The thing to do is build a new bridge and have it accommodate the four-or six-lane artery that passes underneath the bridge. But that is not even on the schedule. And there is no request from the administration or the Park Service for funds to deal with that.

FEDERAL HIGHWAY SYSTEM FUNDS

Now, we have the Federal highway system that has a category of funding that helps provide additional funds, separate and apart from the direct appropriations of the National Park Service, through the Interior subcommittees, that is available to us. I hope that the Department, and your office, will undertake to look at this situation. It is a special problem. I have talked with local government officials—the county and municipal officials in this area—and they are rather helpless to deal with it.

So I hope that we can find some way to have the Federal officials cooperate with local and State highway and transportation officials to solve this problem. That is kind of beside the point on finishing the parkway. Here is a part that is already finished. It has been completed for a good while now; but, it is in need of some attention.

When I look here in the bill and your statement, and hear about the Everglades project, which I am all for—that is a wonderful

thing; and the California Bay environmental thing, which is important; and then recently we adopted here legislation to create this massive California desert area, under the jurisdiction of the Department, and funds have to go to that—some funds have to. All of these other things—the forest plan, which is important—you know, millions of dollars in the bill and in your statement about all these other things, and some of the older and earlier commitments of the Department of the Interior and the Federal Government are just sitting there without any funding and any support.

There is no constituency anymore. See, I am the only one. I mean the Alabama Senators, you are not going to hear from them on this. The Tennessee Senators, or the Vice President, I do not think you are going to hear from them. But once upon a time, I can remember when we had a coalition of support for the Natchez Trace Parkway. Now we are down to just one State that has a need for funds, and we cannot seem to get much attention.

We appreciate the attention we do get, though. I do not want to complain too loudly or we will not get anything. Everybody is looking around for offsets for this and that. So who cares about the Natchez Trace Parkway?

Well, the people of Mississippi do, and those who come visit the State appreciate it. And it is a wonderful resource and an asset. But it is being given short shrift and the short end of the stick. I do not know what we do about it except talk about it and try to offer amendments and urge the committee to provide the funds to deal with the problems. That is what we are going to continue to do as long as we have a responsibility here to represent the interests of the State and the Nation in this committee.

Could you give us some assurance that there will be an effort made to look into these things and try to help us complete the parkway and attend to these other problems that exist down there that need early attention?

Secretary BABBITT. Senator, I have two comments and a suggestion. First of all, any trail that includes the gravesite of Meriwether Lewis is obviously of great interest to me personally.

No. 2, you are correct that the U.S. Highway 51 bridge is not on the priority list submitted by the National Park Service. And, you know, you can go back to these priority lists forever. We have a huge problem, and that is that most of the funding that we request is for maintenance and upkeep of roads which are literally falling apart.

My suggestion is this: It seems to me that in the context of an ISTEA bill, with the amount of money that is in that bill, and that if you could possibly obtain the assistance of the majority leader, Mississippi might be heard. And I do not say that lightly. Because I cannot promise you that I can restructure the priorities. But the funding for this in the context of that bill ought to be, it seems to me, something that we could talk about.

I would be happy to meet with you and your colleagues to an extent that we can pursue it.

Senator COCHRAN. Thank you very much.

Senator Domenici, you not only are recognized, but you are given the honor of chairing the committee.

Senator DOMENICI [presiding]. I have the honor of managing the bill on the floor of the Senate. I do not have a lot of time, but I am glad that you are giving me this title.

Mr. Secretary, I apologize for being late. The budget resolution is on the floor, and that is my job. I found somebody to takeover it for me for awhile.

Secretary BABBITT. Senator, let me say that, in your absence, this has been an extraordinary mellow, positive and mutually agreeable session.

Senator DOMENICI. By that, are you leaving any inference or assumption that it might have been otherwise had I been here? [Laughter.]

Secretary BABBITT. I am voicing my sentiment that may it continue.

Senator DOMENICI. It will. It will. I have enough problems on the floor that I have not thought about giving you any problems today.

INDIAN SCHOOL REPAIR

The GAO report about Indian school repair concludes that $754 million are needed to clear up an entire backlog of BIA repair needs and bring these schools into code and instructional compliance. In a footnote to that figure in the GAO report, it is noted that eight schools on the construction priority list would cost $112 million to replace.

I have also heard that if we replace the 50 percent of the BIA schools that are over 30 years old, the replacement costs would be about $1 billion—and I am not suggesting that—leaving about $200 million in repair costs for the other half of the schools. Since the GAO did this study, I am wondering if you might, for the record, give us your Department's best estimates about what it will cost to repair and get these BIA Indian schools up to the standard that I have just described.

Secretary BABBITT. Senator, I do not challenge those GAO estimates. The difficulty is this: We do have increases in the BIA budget, but obviously there are limits. I think, for new school construction, we have two schools.

Senator DOMENICI. That is right.

Secretary BABBITT. I think there is one in Arizona and one in South Dakota. And I think one of the New Mexico Pueblos would then be at the top of the list.

Senator DOMENICI. Well, Mr. Secretary, I am aware that you put in some additional money. I am very pleased about that. I did write a letter to the OMB Director and to the President with reference to the Indian schools. I believe, shortly after that, I was told by the OMB people that $38 million, or some such number, was added to school construction. I am very pleased that that is the case.

But, Mr. Secretary, when you say that there is just so much we can do, I want to just share a thought with you. Since you have been a very strong advocate for the Indian people, and you remind us of that and them of that, I just wonder why the U.S. Government can start a new public school program in an area that we have never been in before—or at least attempt to; I do not think it is going to happen—and find money to spend on schools that are not ours. Yet we sit here today with you acknowledging that the

schools that we own, where there is nobody else to build them and nobody else to repair them, that there is sort of a lack of urgency, when we would only build two out of a waiting list of scores?

Secretary BABBITT. Well, Senator, I think that is a productive line of inquiry. I at least have given some thought to the President's proposal for assisting school districts, in general, through adding the deductibility of municipal bond interest as a Federal contribution. Obviously that particular financing device does not work on reservations for these tribes that have no way of issuing bonds.

Senator DOMENICI. They are our schools, the Federal Government's, so you cannot.

FINANCING MECHANISM

Secretary BABBITT. But we could still give the same subsidy if you could issue bonds.

But what that means, it seems to me, is an inquiry as to whether or not we could not find some analogous financing mechanism that would automatically be available to tribes. Maybe we should discuss that with the Treasury Department, because we ought to be providing some analogous assistance at a bare minimum. I am not suggesting that any of these things will solve the problem entirely. But it seems to me we may be missing an opportunity there.

Senator DOMENICI. Well, if you want to explore it with Treasury, and if I can be of any assistance, I will join you.

Secretary BABBITT. OK.

Senator DOMENICI. But my real point is—and, frankly, I will make this now and I will make it whenever I have a chance to speak on the floor in the next 24 hours, when I am going to be joining Senator Johnson in trying to get more money for this part of the budget—but I believe, Mr. Secretary, that it is incumbent upon those who represent the Indian people in the U.S. Government to state loud and clear that we ought to take care of our Government's responsibilities first, before we go out and start new programs. I am not asking for you to comment. You work for a President. He puts a budget together.

If we do not build these schools, no one will. It is getting close, if it is not already, disgraceful as to the condition of the Indian schools in the United States. I will continue to do what I can. It is not inconceivable, looking at new money that has been put in the budget over the last 4 or 5 years, that had we started a program for $150 million to $250 million in new money a year for Indian schools, we could have afforded it. We would not have had to hurt very many programs of the Federal Government, and we would be living up to a responsibility.

It is very hard to find that kind of money when it is not in the President's budget. I am just merely stating a fact.

I have two other quick comments with reference to Indian schools—these are both parochial in a sense. I wonder if you might clarify the BIA's responsibility for tribally controlled community colleges in terms of repair, rehabilitation and replacement. While I say it is parochial, there are many of these—in fact, I think there might be 26. I would also like to know about the Government operated post-secondary schools—namely, Haskell and the Southwest-

ern Indian Polytechnic Institute [SIPI]; you know about SIPI in Albuquerque—and on the latter two, your plans for the campuses. What is our responsibility in this area?

TRIBALLY CONTROLLED COLLEGES

Secretary BABBITT. Well, with respect to the tribally controlled colleges, they are tribal institutions. I believe that there is a formula that was kind of a consensus development among tribes, committees, and others about the appropriate level of congressional support. The fact is we have never even come close to that.

So rather than focusing just on construction or maintenance, I think what we ought to do is drop back and ask: How would it be possible to meet the implicit commitments that were in that formula?

HASKELL VERSUS SIPI

Now, with respect to Haskell and the one in Albuquerque, those have a very different history and are much more closely tied, in my judgment, to a Federal nexus. I do not know the details, but I would be happy to write you a letter about that.

Senator DOMENICI. I think it would be interesting for you to note, as you do that, that there is a very big disparity in the per capita allocation to Haskell versus SIPI. I know of only one major difference, and it may be the total answer, but I doubt it. The difference is that Haskell has more boarding students than SIPI. SIPI has some; Haskell has many, and the allocation includes both, board and room.

Secretary BABBITT. I would be happy to look into it and respond.

Senator DOMENICI. Would you.

[The information follows:]

HASKELL INDIAN NATIONS UNIVERSITY AND SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE

Haskell Indian Nations University in Kansas and Southwestern Indian Polytechnic Institute (SIPI) in New Mexico offer a variety of junior college level education programs to Indian and Alaska Native students to help prepare them for four-year colleges and universities or employment. Haskell and SIPI were established by the BIA prior to enactment of the Tribally Controlled Community College Act and have always been Federally operated schools.

Funding levels for SIPI and Haskell are based on a formula that takes into consideration staff costs, facility costs, and the room and board costs of the campus-housed student population. Using this formula, Haskell receives a higher level of funding than SIPI, largely due to two differences between the schools. First, Haskell has significantly more dormitory students—eight hundred students as compared to four hundred at SIPI. Secondly, Haskell is authorized to offer several baccalaureate degree programs which require higher staff costs than associate programs. SIPI only offers community college and technical degree programs.

Haskell and SIPI have been directed to evaluate and suggest improvements to the current funding methodology to ensure that equitable funding is provided. The schools plan to complete this process within the next year.

INDIAN COLLEGES

Senator DOMENICI. Now, let me for purposes of making sure that we understand about our Indian colleges—not the ones you just referred to, but the tribal ones—state that Indian colleges now have an average operating cost budget of $2,900 per student. The aver-

age American college has an annual $6,200 per student operating cost.

Now, I merely lay that before you because the issue is quickly coming: Can we maintain Indian colleges that are a credit to the U.S. Government and pay this small amount, or should we not be taking a position that here, too, these are our Indian people, Indian colleges, and either they have enough money to run or we are going to get less than an adequate college education?

Might you just give us your thoughts about that.

Secretary BABBITT. Senator, obviously, I think we share the judgment that we ought to be providing a higher level of support. The President's budget does have a $5.5 million increase for the 26 tribally controlled colleges. I am not suggesting that that amount is entirely adequate, but at least it is a step in the direction of acknowledging the problem and doing something about it.

Senator DOMENICI. Mr. Secretary, I do not know that this is anything close to an appropriate offer that would be accepted by you. I stand ready, Mr. Secretary, to join you and the new Assistant Secretary for Indian Affairs in trying to get the attention of everyone, including the administration, about the possibility of establishing a 5- to 10-year plan that will bring the Indian colleges up to some standard that we can all be proud of in terms of funding, and thus expect good education.

As part of that, to start an effort to acknowledge that nobody is going to repair the Indian schools if we do not, and that they are probably in a worse state of repair and of physical plant need than any college, any high schools and schools in the worst parts of America in terms of construction and maintenance. I stand ready to do that.

Secretary BABBITT. Senator, I am ready and willing. I accept that offer. Because it seems to me that with the budget now in balance, with this Senate passing an ISTEA bill with an additional $30 billion of additional discretionary spending, that it ought to be possible to devote an additional amount to this issue. I am certainly willing to discuss that.

Senator DOMENICI. I think, Mr. Secretary, what we have to do is we have to join together and set forth a plan—acknowledge the goal and set forth a plan, and say that we are not getting there with $20 million or $30 million added to a budget that is just totally out of line. We have to have $200 million a year, trying to get $1 billion, to get something done in both these areas as soon as practicable. I am more than willing to join in that, and I would recruit some Senators to join us in a real effort.

I have talked with our new Assistant Secretary in charge of Indian Affairs. You have got a good man there. He is going to do a wonderful job. He is very, very concerned about Indian education.

I would tell you that in the Senate, with reference to this infrastructure bill, called ISTEA, we have done a very significant thing for the Indian people, in that infrastructure bill for highways and mass transit. We have dramatically increased the Indian roads funding, Mr. Secretary, to somewhere around $230 million a year. Just 6 or 7 years ago, it was about $20 million.

And so we are beginning to build some roads where you and I both know you cannot have any growth and prosperity without

roads in America today. This is going to be catchup. In 5 years, we are going to have well over $1 billion spent. I am very praiseworthy of that, and hope, throughout the House and the ultimate signing of the bill, that we can keep that funding in there.

You would acknowledge that this is another one of the deplorable situations of our Indian people on the reservations.

Secretary BABBITT. I do acknowledge that. And I acknowledge your efforts in getting that kind of increase. It is very helpful.

MESCALERO ELEMENTARY SCHOOL

Senator DOMENICI. Let me have one more question if you will. This is truly very parochial. The Mescalero Elementary School was built with BIA funds. It became a BIA-funded public school through the Tularosa Public School System, a K through six elementary school that was destroyed by arson in 1990. This is the K through six school that was destroyed. The Tularosa system collected the insurance, and the BIA helped with temporary facilities.

Now, the Mescalero Apache Tribe is seeking funds for the construction of a new K through 12 school to serve the entire reservation. I understand that the BIA, again, is responsible for the school, and I am very interested in verifying its status as a BIA school, and the possibility of its becoming a priority for replacement with BIA new construction funding.

Around here, it is interesting that we have a big battle going on in the appropriation bill about disaster relief. This is not a national disaster, but I assume a fire that destroys an Indian school is a disaster to the Indian children and to that particular tribe. Could you supply us for the record what status that school has now. It seems to be a little bit in limbo because of the facts I just gave you.

Secretary BABBITT. I would be happy to do so.

[The information follows:]

THE MESCALERO APACHE SCHOOL SITUATION

The Mescalero Tribe leased land for a nominal fee ($1.00) to the State of Mexico for a 25 year period. During this period, the local school district located, constructed, and operated a public K–6 grade elementary school on this reservation land. The annual lease subsequently expired with no new lease agreement being reached. To provide a thorough review of the situation, a chronology of events follows:

February 18, 1990.—The Mescalero Public School burned down.

February 19, 1990.—The Mescalero Apache Tribe passed Resolution No. 90–5 in support of the Tularosa Public School Board of Education and requested portable classrooms from BIA and the State.

May 20, 1990.—The Albuquerque Area Education Administration notified the Tribe that no funds were available from Office of Indian Education Programs (OIEP) for the emergency.

August 6, 1990.—The Office of Construction Management (OCM) met with Tribal Representatives and agreed to have a Technical Team determine whether the Tribal community center was suitable for conducting classes in school year 1990–91. The Tularosa School District had used the community center during part of school year 1989–90. The building was found to be seriously deficient for use as a school. The Facilities Management and Construction Center (FMCC) looked at options to upgrade tribal buildings or acquire portable classrooms.

August 6, 1990.—The Mescalero Apache Tribe passes Resolution No. 90–28, indicating that the Tribe and school district have failed to reach an agreement on location and operation of a public school. The school district proposed to build a new school located off tribal lands, which would have required student busing and included other public students. The Tribe asked BIA to assume operational responsibility for a proposed tribal school in 1990–91.

August 15, 1990.—Plans for a steel building to be purchased and erected by the Mescalero Tribe were transmitted to FMCC for review.

August 16, 1990.—A meeting was held regarding the school between the Secretary of Interior, Manuel Lujan; Assistant Secretary for Indian Affairs, Eddie Brown; and President of Mescalero Apache Tribe, Wendell Chino. The Department/BIA position was that BIA would not support taking over the education program from the Mescalero Tularosa School District until an agreement was reached to operate an accredited public school.

August 22, 1990.—Letter to Assistant Secretary for Indian Affairs from Albuquerque Area Director requesting $387,000 to renovate tribal building for classrooms (building purchased by Tribe).

August 24, 1990.—The Assistant Secretary for Indian Affairs sent a letter to the President of the Mescalero Apache Tribe specifying conditions for granting assistance to tribal school. The Tribe independently obtained facilities and hired teachers for the 1990–91 school year.

October 9, 1990.—Mescalero Apache Tribe submits interim application for Tribally Controlled Grant School (Public Law 100–297).

April 4, 1991.—A letter was sent from the Assistant Secretary for Policy, Management and Budget to the Appropriations Committees bringing the committees up to date on school. At this time, no agreement existed between the Tribe and public school district and the Tribe had obtained and erected a building for 250 students.

April 11, 1991.—OIEP approves Mescalero School to become a BIA funded school, effective July 1, 1991. BIA requires that safety deficiencies be corrected at the school prior to occupation.

November 25, 1991.—Mescalero Apache submitted an application to BIA for new school construction.

January 6, 1993.—Federal Register Notice for "Education Facilities Construction Priority List of fiscal year 1993" was published. Mescalero's application for fiscal year 1993 was considered, however, because the school was not a Bureau owned or operated facility when it was destroyed by fire, the application did not receive a high ranking on the priority system. The application was evaluated along with 66 other requests. Only the top five schools were added to the 1992–93 priority list which resulted in 16 schools total.

The Bureau is concerned about Mescalero and other schools where students are being educated in classrooms that do not meet code requirements or modern standards. In recognition of the Mescalero Tribal School's needs, the BIA's Education and Facilities programs provide funding for the annual operation of the school. However, because the replacement school priority list was frozen by Congress in fiscal year 1993, the BIA cannot provide replacement school funding at this time.

The BIA anticipates completing the list of 16 prioritized schools in the year 2001 or 2002. The Facilities Management and Construction Center and Office of Indian Education Programs, at the direction of the Assistant Secretary for Indian Affairs, are currently reviewing completion of the replacement school projects and looking at a new replacement school application process. Depending on appropriation levels, the Bureau anticipates being able to solicit replacement school applications when the new process is established in 1999. This will provide Mescalero with the opportunity to compete for a replacement school in a national prioritized ranking process.

SOUTHWEST FISHERIES TECHNOLOGY CENTER

Senator DOMENICI. The Southwest Fisheries Technology Center—I am jumping ahead, away from Indian issues to another issue in our State—since 1993, we have been supportive of this center. When it is completed, it will be the only facility in the Nation dedicated to breeding and stocking of native threatened and endangered fish. To date, we have appropriated $20 million to rehabilitate Dexter and to construct the Mora unit.

In 1998, this subcommittee provided $2 million to complete phase 3 construction in Mora, and $500,000 in operational funding. At the Dexter unit, there remains a need for $3.3 million to bring the facility completely online. This means $2.9 million to complete phase 3 construction, $200,000 for laboratory equipment, and $227,000 in additional operational funding to fully staff it.

Would you give the subcommittee an update on the status of these units, and does the administration foresee completion of the rehabilitation of the Dexter unit this year?

Secretary BABBITT. I would be happy to respond in writing.

Senator DOMENICI. I thank you.

[The information follows:]

SOUTHWEST FISHERIES TECHNOLOGY CENTER

The status of construction for the Mora and Dexter units of the Southwest Fisheries Technology Center is presented below.

In fiscal year 1998, the $2,000,000 provided for the Southwest Fisheries Technology Center is being used to complete construction at the Mora unit. In addition, $500,000 in operating funds were provided for start-up operations at Mora. These operating funds have been annualized in Service's fiscal year 1999 budget request. The Mora management plan, however, assumes $650,000 in annual optimal operating expense to fully staff the facility in the future. However, this additional funding was not included in the President's Budget request for fiscal year 1999 and is not a priority for the Department.

SOUTHWEST FISHERIES TECHNOLOGY CENTER—MORA UNIT, STATUS—APRIL 1998

Construction/operations	Fiscal year	Appropriations	Construction completed	Optimal funding	Remarks
Phase I and II, planning, site work, well fields, and building shells for fish production and storage.	1990 1991 1992	$1,000,000 3,000,000 5,000,000	Yes	.....	$15,720 sequestered in fiscal year 1991; $63,000 sequesterd in fiscal year 1992.
Phase III, equipping buildings and related facilities.	1997	2,705,000	No	.....	To be completed in the fall of 1998.
Phase III, hatchery and wet lab building, equipment, and paving.	1998	2,000,000	No	.....	Construction to begin in fiscal year 1999.
Operating funds to fully staff	1998	500,000	.....	$150,000	
Total	.....	14,205,000	.....	150,000	

Funding for the third and final phase of the construction at the Dexter unit is not included in the fiscal year 1999 President's Budget. Currently, the FWS estimates that $2,863,000 would complete rehabilitation of the facility, as well as $200,000 to purchase laboratory equipment. However, the Department has placed a priority on using limited construction funding to reduce existing inventories of critical health and safety projects or for mission critical priorities. The FWS estimates that $227,000 in annual operating funds would fully staff the facility. However, this additional funding was not included in the President's Budget request for fiscal year 1999 and is not a priority for the Department.

SOUTHWEST FISHERIES TECHNOLOGY CENTER—DEXTER UNIT, STATUS—APRIL 1998

Construction/operations	Fiscal year	Appropriations	Construction completed	Optimal funding	Remarks
Phase I, and part of phase II hatchery building, and administration/lab building.	1993 1994 1995	$1,428,000 2,200,000	Yes Yes	.....	$12,138 was sequestered in fiscal year 1993.
Balance of phase II storage/maintenance building.	1997	961,000	No	.....	Construction to begin fall 1998.
Phase III, outdoor fish raceways, earthen research ponds, paving/landscaping at buildings.	.....	.....	No	$2,863,000	Phase III will complete construction.
Specialized lab equipment	.....	.....	.....	200,000	Equipment needed to identify and maintain biodiversity.
Operating funds to fully staff	.....	.....	.....	227,000	
Total	.....	4,589,000	.....	3,329,000	

VANISHING TREASURES INITIATIVE

Senator DOMENICI. There is an initiative with reference to some of our park-like treasures that is called vanishing treasures. Are you aware of that?

Secretary BABBITT. I am.

Senator DOMENICI. This is a very, very excellent approach, of trying to put some emphasis on some very serious diminishing assets. Last year, the administration proposed this new initiative, to assist 41 park units in the Nation. I assume you were supportive of that, if not the one who came up with the idea and proposed it. This was for the stabilization and maintenance of ruins and cultural resources within the park units.

I worked with this committee to secure funding for this initiative, and Congress provided $1 million in 1998, to get the initiative started, and $2 million for historic structure stabilization. This year, I do not find the vanishing treasures initiative among the administration's funded priorities. Does the administration continue to fund the vanishing treasures initiative?

Secretary BABBITT. Senator, I would be happy to respond in writing. I suspect that what may happen is that this particular program was merged into some other line item. But I do not know that for a fact. So let me look at it.

Senator DOMENICI. It would sure be helpful if there is some money in the budget, because I am assuming we start with zero as we talk to this committee in its appropriations.

Secretary BABBITT. I will have a look at it.

[The information follows:]

VANISHING TREASURES—FISCAL YEAR 1999

The President's fiscal year 1998 budget request for the Vanishing Treasures Initiative of $3.5 million was reduced in the Appropriations Act to $1.0 million. The fiscal year 1999 budget request continues funding at the $1.0 million level for Vanishing Treasures. Of the total, $453,000 has been included in the base operating budgets at eight parks and $547,000 will be used for project preservation, training, and project management. The NPS has not yet selected the specific projects to be accomplished with the available fiscal year 1999 funds, but the Service expects to fund about six of the 38 emergency projects identified for the Vanishing Treasures program with the available money.

Senator DOMENICI. Of the 1998 funds, which I just described to you, I would like to know, if those 1998 funds, have been obligated in relationship to this initiative? And if so, how much and for which parks?

Secretary BABBITT. Sure.

[The information follows:]

VANISHING TREASURES—FISCAL YEAR 1998

The $1.0 million in funding provided for the Vanishing Treasures Initiative in fiscal year 1998 was spent as follows: $453,000 was transferred to base operating budgets of eight parks to hire eleven permanent individuals; $40,000 was devoted to training expenses; $497,000 was utilized to fund six of the 44 projects which had been identified as the most acute needs; and $10,000 was used to provide project management, monitoring, and a peer review system to evaluate program efficiency and effectiveness. The following table itemizes the distribution of operations and project funding by park.

Park unit	Operations funding	Project funding
Aztec Ruins National Monument	$84,000	$75,000
Mesa Verde National Park	67,000	.....
Salinas Pueblo Missions National Monument	33,000	25,000
Chiricahua National Monument	34,000	.....
Navajo National Monument	33,000	.....
Tonto National Monument	51,000	125,000
Tumacacori National Monument	91,000	22,000
Flagstaff Areas (Wupatki, Walnut Canyon, Sunset Crater)	60,000	125,000
Chaco Culture National Monument	.....	125,000
Total	453,000	497,000

SURPLUS BLM LAND

Senator DOMENICI. I missed the discussion of the issue of disposing of surplus property in the Department of the Interior's public domain real estate, the BLM. I gather you were opposed to tying this to the Endangered Species Act in the manner suggested, but are you opposed to starting a comprehensive national effort to go ahead and get the surplus property out of the Federal inventory, or at least find out what can be done about ridding ourselves of some of this?

I note that while some of it may have little value, Mr. Secretary, there are a lot of acres that are currently denominated surplus. In fact, my recollection is that in the Southwest, it is more than 2 million acres—maybe 2½ million or 3 million. In New Mexico, it is an astronomical number. It is about 900,000 acres that are surplus and so designated.

If we leave the ESA out of this, can you discuss with me whether the administration would like to join in starting an effort with reference to this surplus land?

Secretary BABBITT. Senator, I am skeptical. Let me explain where I begin, and then we could entertain some thoughts. Most of this land that has been identified in the Southwest by the BLM is rangeland. Most of it is in holdings inside existing ranch units. Now that means, as a practical matter, that these lands cannot be disposed of at auction. It is not going to happen. I am not going to go out to either Joe Skeen or Sam Donaldson, although I might like to do it on Sam Donaldson's spread out there—actually, I am starting to warm to this. I would like to go out to Donaldson's spread and say, There are some BLM leases or inholdings, and they are going to be put up to auction to the highest bidder. [Laughter.]

You get my point.

Now, the ranch owners themselves are not very keen about this. And the reason is that they are getting a good deal. That includes my relatives. When I say my family, I am no longer part of my family for these purposes. My relatives get a good deal. They have grazing fees, which we have talked about, and they pay no taxes.

And I have got to tell you that among my rancher friends in Arizona, there is not much interest in going to the bank and borrowing a bunch of money to buy land from the BLM. Now, those are the problems.

What we have tried to do, I think with great success in many States, is use these surplus lands to block up and consolidate land management units. This inholding problem works both ways. There are private lands inside of BLM, and BLM lands inside of private lands. And I believe that the primary emphasis and the best land management alternative is to work on blocking these things up to the mutual satisfaction of the ranchers and other landowners and the Federal agencies.

Senator DOMENICI. Well, Mr. Secretary, I do not know that that was a fair question, because actually the administration does have a task force working on this.

Secretary BABBITT. But the surplus land issue, we define somewhat differently. I mean there are all sorts of GSA lands and other lands.

Senator DOMENICI. I am talking now about the fact that—and I do not know whether the ranchers are opposed to this at all—but there are some—not this Senator—who say, for every new acre of Federal land to be acquired for whatever purpose—parks, BLM and Interior—there ought to be land disposed of. I am not one of those.

But we are always in the business of buying more Federal land or proposing that we buy it—sometimes very large tracts and sometimes in States that are already in excess of 60 percent owned by the Federal Government. I have come to the conclusion that we ought to start a national program and put some money in it, so the excuse that is normally there, that we cannot get rid of surplus property because we need some money to do appraisals, we need some money to get a plan together that won't delay us. I have come to the conclusion that a fair middle ground with reference to the position on new properties is to get a program going that, once and for all, analyzes and begins a multiyear disposal program that is thought out, well thought out, and worked on, with a lot of input.

I hope that we are proceeding on that basis. We are working to get a statute written, and I am sure it will, at some point, work its way up to your office. I would hope that you would give it your every consideration, in an effort to satisfy a number of constituents who do concern themselves about us having land we do not need.

Secretary BABBITT. Senator, I will certainly look at it. You may count me from Missouri on this one. I am a skeptic, because I believe that these lands have already been identified. We do not need to reidentify them. And we have an effective, ongoing historic process for dealing with this, through exchanges and consolidations. And I believe it is an effective policy. I would be happy to look at a proposal, but I have heard these proposals before and I do not think they are in the public interest.

Senator DOMENICI. Well, frankly, Mr. Secretary, I do not think anybody, to my knowledge—since I have been in the Senate—and I hate to mention how many decades that spans today, because it is more than this young groups of New Mexicans back here in their 4-H coats would even think because I look so young they could not believe that. [Laughter.]

In any event, I do not think there has been a genuine proposal—and I just make this as a statement, not to argue with you or make this an unpleasant day; it has been a very nice day between you and me—but I do not believe there has been a comprehensive effort

to see what can be done about it. The ongoing program that you speak of, of blocking out and the like, has not been very effective.

Nonetheless, we will get legislation up to you in due course. It is a commitment I have made to the people of New Mexico, that I am going to make sure this is answered—and you may be right, that there is nothing to it and you are just going to keep the land.

I hope the opposition is not from those who take the position that the Federal Government can do better with this land than anybody else. I did not say you were that person, but there are some. I hope it is not generally environmentalists, who just think this is something that will harm the public domain. If it is surplused property, it seems to me we ought to have a pretty broad consensus to try to do something with it.

ADDITIONAL COMMITTEE QUESTIONS

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:]

ADDITIONAL COMMITTEE QUESTIONS

MAINTENANCE BACKLOGS

This committee has placed great emphasis in recent years on addressing the multi-billion dollar maintenance backlogs that exist within the various agencies funded in the Interior bill. This has been difficult given funding constraints, but we have been able to make progress supporting maintenance accounts, and by initiating the fee demonstration program.

The Committee's support for these efforts cannot, however, be sustained if there is a perception that the backlog estimates are being "gamed," or if we make no progress in reducing those backlogs no matter how much is appropriated for that purpose.

Question. What progress has the Department made in making maintenance backlog lists more consistent and reliable across the various bureaus?

Answer. The fiscal year 1999 maintenance and construction project lists submitted to the Interior Appropriations Subcommittee in February 1998 are qualitatively a big step forward. Common criteria of critical health and safety and critical resource protection were used for the first time.

Question. How long will it be before you will be able to provide accurate, reliable, backlog lists to the Committee?

Answer. The fiscal year 2000 budget submission will provide a 5-year listing of the highest priority maintenance and construction projects for the bureaus using Department-wide common maintenance and construction terms. This list will be updated annually to reflect completed projects, prior unknown critical projects, and the normal re-prioritization that occurs when managing any large volume of work items. This annual up-dating will keep the lists accurate and reliable.

Question. What have you learned as you have engaged in this process?

Answer. Rather than obtaining major new insights, the knowledge concerning the individual bureau processes for maintenance, construction, and the information systems used has been deepened.

Generally in the past, maintenance has been a field-oriented priority setting process largely dependent on the unit and maintenance manager's criteria of need.

The construction priority setting processes have been reviewed by headquarters and as a result have applied more consistent criteria within a bureau.

The information systems used by the bureaus vary widely. The Bureau of Indian Affairs has a complete inventory and maintenance management system for education and administrative facilities used for setting priorities. Other bureaus, like the National Park Service, maintain several non-integrated systems.

EVERGLADES/SOUTH FLORIDA RESTORATION

The Administration is requesting $81 million for land acquisition in the South Florida ecosystem, a $5 million increase over the amount provided in fiscal year 1998.

Question. What is the obligation status of the land acquisition funds appropriated in fiscal year 1998, and for what specific purposes will these funds be expended? Does the Department expect that these funds to be obligated and/or expended by the end of fiscal year 1998?

Answer. Of the $76 million appropriated to NPS in fiscal year 1998, a total of $46 million will be used to fund a grant to the South Florida Water Management District for the purchase of lands in Storm Water Treatment Area 1-East (STA 1-E); of that amount $19.0 million has been obligated to date, with the remaining amount to be obligated during fiscal year 1998. Acquisition of lands in STA 1-E will improve the quality of water entering Loxahatchee National Wildlife Refuge. Of the remaining $30 million appropriated in fiscal year 1998, $26 million is committed for acquisitions in the East Everglades Addition to Everglades National Park and $4 million is committed for acquisitions in Big Cypress National Preserve. As of May 15, 1998, $4.0 million has been obligated for Everglades and $970 thousand has been obligated for Big Cypress. The Department is working consistently to conduct negotiations so that all NPS land acquisition funds could be obligated this fiscal year.

Question. If South Florida is funded at the request level in fiscal year 1999, how much in additional acquisition funding does the Department estimate will be required to complete acquisitions in the East Everglades? How much has been appropriated for this purpose to date? By what date does the Department feel these acquisitions must be completed? On what schedule are these funds likely to be requested?

Answer. If the land acquisition request for South Florida is funded at the $23 million level as requested in the fiscal year 1999 President's Budget, ($20 million for Everglades and $3 million for Big Cypress), the Department estimates that the National Park Service will require an additional $20 million in fiscal year 2000 to complete acquisitions in the East Everglades Addition to Everglades National Park. To date, the Congress has appropriated $64.2 million for acquisitions in the East Everglades, including $26 million that was allocated by the Department to the Park Service last year. Because completion of the East Everglades Addition is one of the Administration's highest priorities for land acquisition and assuming that funds are available and current acquisitions remain on schedule, it is likely that the remaining funds for the East Everglades Addition will be requested in fiscal year 2000.

Question. How much of the $200 million provided for South Florida in the 1996 Farm Bill has been spent thus far, and for what projects?

Answer. To date, the Department has obligated $65 million in grants to the State of Florida. Two grants were awarded to the South Florida Water Management District (SFWMD) and one grant was awarded to the Florida Department of Environmental Protection (DEP) to acquire a total of 28,197 acres of lands critical to the Everglades restoration effort. The Federal funds were leveraged by $137 million of State funds for a total land acquisition investment of $202 million. The overall Federal share of the acquisitions associated with these three grants is about 32 percent.

Following is a summary of the three grants provided by the Department to the State:

SUMMARY OF THE THREE GRANTS PROVIDED BY THE DEPARTMENT TO THE STATE

Grant title	Date/recipient	Acres	Federal cost	State cost	Total cost
East coast buffer	Dec. 12, 1996 & June 27, 1997 [1]	6,714	$36,909,740	$40,000,000	$76,909,740
Carrol property EAA	Feb. 28, 1997 & May 27, 1997 [1]	1,233	3,090,260	([2])	3,090,260
Golden Gate Estates	Apr. 17, 1998 [3]	20,250	25,000,000	97,000,000	122,000,000
Total		28,197	65,000,000	137,000,000	202,000,000

[1] South Florida Water Management District.
[2] Included above.
[3] Florida Department of Environmental Protection.

In addition to the funds provided to the State, the Department has expended $926 thousand on administrative expenses. These expenses include the preparation of a programmatic Environmental Assessment for land acquisition in the Everglades Agricultural Area (EAA), as well as staff expenses to administer and review the grants to ensure the consistency of the grant with Everglades restoration. The FWS and Solicitor's Office staff, in the form of one field biologist, one realty specialist, one economist, and two attorneys will ensure that the lands acquired with Farm Bill

funds will assist in the restoration through the development and monitoring of the necessary agreements between the grant recipient and the Department.

The budget request includes $14 million for continued work on modified water delivery projects. The Federal Government will be responsible for 75 percent of the operating costs of these systems.

Question. Will any of these operating costs be the responsibility of the Department of the Interior? If so, when will these costs begin to be incurred?

Answer. In 1989, the Congress enacted the Everglades National Park Protection and Expansion Act (Public Law 101–229) to authorize the construction, by the Army Corps of Engineers, of a modified water delivery project for Everglades National Park. The purpose of the project is to reverse the decline of the park's natural resources due to the effects of nearly 50 years of alterations to the natural water system from the Central and South Florida Project, providing flood control, municipal, industrial and agricultural water use. Completion of the modified water delivery project is currently scheduled for fiscal year 2005 and should result in a more natural sheet-water flow to the park. The Federal Government's share of the operating costs will be 75 percent and the Department expects that the Army Corps of Engineers will incur the operating costs, with the remaining 25 percent the responsibility of the local project sponsor.

DEPARTMENT OF THE INTERIOR—FIXED COSTS

The Subcommittee is concerned by what appears to be continuously increasing fixed costs among land management agencies which keeps funds from getting to the ground level. It seems there are services provided by the Department of the Interior which are duplicative of those provided by the Forest Service. In many ways the respective missions of the Bureau of Land Management and the Forest Service are identical. In several on-the-ground activities, the Department and the Forest Service have co-located offices, assumed each others land management responsibilities, and generally cooperated. However, these have been predominantly local efforts. The following questions pertain to what could be accomplished if major national programs could be consolidated.

Question. Although fire operations between the Forest Service and the BLM are integrated in many ways, could one agency completely assume fire suppression responsibility for the other agency?

Answer. The fire management programs of the five federal agencies, (BLM, BIA, FWS and NPS of the Interior, and the Forest Service of Agriculture) represent what may be the most integrated interagency operation in the federal government. It is crucial that federal agencies, states and local governments cooperate because wildland fires respect no boundaries and the fire suppression resources of any one agency may be insufficient to meet the workload.

It should also be recognized that fire suppression is only one aspect of the total fire management program. Fire management is an integral part of each agency's land and resource management programs, and as such cannot be a separate stand alone support function similar to a "fire department". The same personnel and preparedness resources used in suppression and rehabilitation are also used in land use planning, aviation management, prescribed fire, prevention, weed control, general field operational support, and field communications.

While there are some similarities among the federal agencies involved in fire suppression, there are also vast differences in the laws and regulations governing these agencies and different ownership patterns, dominant uses, and vegetation. The recent Federal Fire Management Policy and Program Review focused on the need to further integrate fire and resource management and to balance the continued need for suppression with fire use. It has been correctly stated that resource management includes fire management. Therefore, the suppression portion of fire management programs should not be separated from the rest of the land management activities. The three tiered interagency fire management coordination process (national, geographic and local) has improved the effectiveness and efficiency of emergency operations without jeopardizing this critical fire and resource management relationship. Shared fire caches, dispatch and logistic centers, training centers, national resources such as aircraft specialized crews, modules and support contracts along with common operational policies and processes facilitate joint field operations.

Through years of experience, we have learned that it is critical to maintain close ties between the fire programs and their respective agencies, while at the same time integrating operations on an interagency basis. This approach promotes innovation and is key to ensuring the best financial, program, and administrative controls. This has allowed BLM and the other Interior agencies with wildland fire management programs to receive "unqualified audit opinions" for the last several years. While

there are additional opportunities to improve interagency fire operations, and we are committed to aggressively pursue continuous improvement, we do not believe that one massive wildland fire department would be more effective or efficient or be in the best interest of the public for quality land management.

Question. Could all mapping activities for the Department [Interior] and the Forest Service be completely assumed by the U.S. Geological Survey?

Answer. The Department of the Interior (DOI) believes that the current division of mapping responsibilities within and between Department bureaus and with the Forest Service is appropriate. Existing cooperative programs in both agencies achieve mission-specific goals, timely response to customer groups, and economy of effort. For example, an interagency agreement between DOI (USGS, BLM) and U.S. Department of Agriculture (Forest Service) guides the coordination of production and maintenance of a single-edition primary series map for quadrangles containing Forest Service areas of interest. The Forest Service and USGS have a long history of cooperation in the production of maps and associated digital data products. Previous agreements between the two bureaus have resulted in improved service to the public through significant reduction in duplication of effort and the sharing of maps and digital data products meeting common standards. At the same time, the division of specific responsibilities between the two agencies ensures that each has the ability to decide on program priorities to accomplish their missions.

Question. Could major information systems for resource management and infrastructure be consolidated into one system?

Answer. In keeping with the spirit and intent of the Information Technology Management Reform Act of 1996, a benefit/cost analysis should be funded and developed to answer this question. Consolidating all resource management requirements into one system is costly, time consuming, and may even require changes in legislation that may affect programs in the Minerals Management Service, the National Park Service, the Bureau of Land Management, the Fish and Wildlife Service, and the U.S. Forest Service. Numerous General Accounting Office and General Service Administration studies caution against these "grand design" system efforts. However, it is important to note that the Bureau of Land Management and the U.S. Forest Service are working together to improve efficiency by exploring the opportunity to consolidate BLM's Automated Land and Records System (ALMRS) with the Forest Service Automated Land Project (ALP).

EVERGLADES-RESEARCH

The justification (p. 37) notes that the Everglades science working group has been developing an overall science plan "incorporating future funding requirements and schedule for completion * * *."

Question. Has this plan been completed? If so, what is the estimated run out for the Everglades science program?

Answer. Science planning, coordination, and integration is and has been an integral component of the South Florida Ecosystem Restoration (SFER) Program dating back to the early 1990s. This science-related activity was conducted under the auspices of the SFER Working Group (WG) through the Science Sub-Group. A summary update of the Science Sub-Group's "Science Plan" (currently referred to as a Report entitled Science Planning and Implementation: 2000 & Beyond) has been included in previous publications of the SFER Program "Cross-Cut Budget."

In 1996, the Water Resources Development Act (WRDA) expanded the SFER Program to include both federal and non-federal participation. In addition, the SFER WG realized a need to integrate managers and scientists through a formal mechanism in order to improve the communication of managers' information needs to scientists and science-results back to managers. To address this need, in the Fall of 1997, the SFER WG reformulated the coordinated science program under a new structural and functional sub-group renamed the Science Coordination Team. The team is comprised of both scientists and managers who work closely with the resources in South Florida.

An updated, long-term report ("South Florida Ecosystems Restoration Science Planning and Implementation: 2000 & Beyond) is being developed by the Science Coordination Team. This report will more formally integrate all federal and non-federal science needs and science activities into one coordinated and integrated program. It will strengthen the communication between management-related science information needs and the science being conducted to address those needs. It will also codify procedures for conducting science reviews and workshops to continually address the question: "Are we doing the right science?"

A draft outline of the updated Report was presented to and approved by the SFER WG and Task Force in early spring 1998. A draft of the Report is scheduled for sub-

mittal to the WG in June 1998 with final draft for WG/TF consideration in September 1998. It is important to note that science planning, coordination and integration is continuing (with WG oversight) at the same time the text for the report is being generated. In other words, the Science Coordination Team and WG are not 'standing still' while the report is being formalized.

Question. How does the "Ecosystem Science Planning and Peer Review" project, identified as a new start within the science program (p. 39), differ from the ongoing "Ecosystem Restoration Planning" project (p. 37)? "Landscape Patterns, Processes, and Modeling" (p. 39) and "Ecological Modeling—Refinement and Applications" (p. 37)?

Answer. One of the initial products of the "Ecosystem Restoration Planning" project as identified above is the publication entitled "An Integrated Plan for South Florida Ecosystem Restoration and Sustainability: Success in the Making" (April 1998). This publication and additional "planning" and outreach documents relate to the overall South Florida Ecosystem Restoration Program generated under "Ecosystem Restoration Planning." Science (as in "Science-Based Decision Making" and science planning, coordination and integration) is but one of the many areas addressed in this "integrated plan."

However, the "Ecosystem Science Planning and Peer Review" project identified as a new start in fiscal year 1999 deals specifically with providing funding for implementing the science review/workshops process currently being implemented and expanded by the Science Coordination Team (as per the evolving Strategic Science Plan). Currently, there is an active process for science oversight and topical review for Florida Bay science. This "oversight" and "topical" review/workshop process is being expanded to include the "whole" Greater Everglades and Coastal Ecosystems, specific major regions of South Florida (such as central Everglades, Big Cypress, etc.) as well as specific major topical subjects (e.g., ecological modeling, hydrological modeling, landscape dynamics, contaminants, etc). The science reviews/workshops will be conducted through the Science Coordination Team under the auspices of the Working Group via funding, in part, from the "Ecosystem Science Planing and Peer Review" project.

An increase of $249,000 is requested to support the Office of the Executive Director, South Florida Ecosystem Task Force.

Question. Is the need for this increase related to the increases requested for other South Florida activities (such as land acquisition)?

Answer. No, this increase is necessary to meet the new requirements for support to the task force and working group. The requirements of the Water Resources Development Act (WRDA) of 1996 expanded the membership and scope of duties of the task force to include State, Tribal, and local government entities and also directs the Secretary of the Interior to ensure a high level of public participation and access to records. This modest budget increase will allow the task force and its working group to meet these requirements.

Question. Is this increase needed even if funding for other South Florida activities is closer to the fiscal year 1997 level rather than the fiscal year 1999 request?

Answer. Yes, this funding increase is based on the new requirements contained in the Water Resources Development Act of 1996 and has no direct relationship to the funding requirements for specific restoration projects and initiatives.

INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PLAN

This subcommittee has major reservations about the Interior Columbia Basin Ecosystem Study. When this project was first undertaken by the BLM and FS, Congress was assured that planning over large areas such as the Columbia Basin would promptly result in making final land management decisions. It is very frustrating, that due to the process of consultation, the Columbia Basin study has become little more than a bureaucratic process that appears to be in addition to a cumbersome local planning process.

Question. Do you foresee that the record of decision could prevent further species listing relative to actions on federal lands? What will it take in the record of decision to accomplish this goal?

Answer. We hope to build into the Final EIS and Record of Decision the necessary analysis and direction to avoid the need to list additional species where all or a major portion of the species population resides on federal lands. Furthermore, it is our intention to provide the necessary direction to ensure that no listing of additional species occurs as a result of management actions on Forest Service or BLM lands. This intent is clearly written into the goals for the Project. However, it may be necessary to list species which occur on federal lands because of adverse actions

occurring on other parts of the species range. By implementing the Final EIS and Record of Decision, we will have done our part to prevent further species listing.

Question. Beyond the requirements for consultation, when and if a Record of Decision is issued for the Columbia Basin Study, how can we get the decision fully implemented without local unit planning efforts?

Answer. The Record of Decision will amend Forest and Resource Management Plans across the project area. It is intended to provide broadscale direction on issues that cross administrative boundaries. It will also provide goals for management activities that are more consistent between administrative units.

Local unit planning efforts will be necessary to fully implement management direction from this Project. We are not substituting broadscale direction for local land management plans. On-the-ground implementation decisions will continue to be made by local land managers using direction provided in the amended plans. Additional collaboration, public comment, and analysis may be required in some areas during the local planning process.

Question. How much of the funds in the President's budget that are directed towards implementation of the plan will actually go to implementing local plans?

Answer. All of the new funding proposed in the President's budget is directed towards implementation of the decisions of the Project. Some of the funding will be utilized for certain process requirements such as sub-basin review and ecosystem analysis at the watershed scale or tribal coordination and collaboration. All are essential steps in meeting the direction of the Project, and assuring that the actions taken by the land management agencies meet ecosystem restoration goals.

Question. What is the impact of the plan on private property?

Answer. Decisions made in the Final EIS and Record of Decision will not apply to private or other non-federal lands. Decisions made by the Project will only apply to the 72 million acres of Forest Service or BLM administered land within the project area. How those lands are managed could affect other lands; just as current management of federal lands affects other lands, and private management affects federally administered lands.

The National Environmental Policy Act requires that federal land managers consider the effect of their resource management activities on surrounding lands as well as federal lands. Chapter 4 of the DEIS outlines what the cumulative effects might be.

Question. What would be your reaction to language in the Interior Appropriations bill which states that the plan shall in no way adversely impact private property owners?

Answer. The 1996 Interior Appropriations Act included language that expressly prohibited the use of recommendations, regulations, or requirements included in the Final or Draft EISs or Records of Decision to regulate the use of, or actions occurring on, non-federal lands. The language further specified that the products of the Project shall not provide any legal basis for imposition of such recommendations, regulations, or requirements on non-federal lands by any court or regulatory agency, federal or state.

The Department opposes the inclusion in appropriations bills of language extraneous to the appropriations process, such as that suggested in the question. Further, since the project does not apply to non-federal lands within the project area, such language would not clarify impacts to private property owners.

Question. The Columbia Basin Study has been extremely expensive, with the BLM and Forest Service spending over $15 million on the study alone and estimating up to approximately $150 million to operate under the plan. To what degree is success of the plan dependent on these agencies receiving the funding increases requested in the fiscal year 1999 budget?

Answer. Funding for implementation of the Project would result from three approaches: (1) redirecting the capability of our existing field organization; (2) requesting new funding from Congress; and (3) developing partnerships. If full funding is not provided, the rate of implementation of the final alternative will be decreased appropriately and proportionately.

NATIONAL PARK SERVICE

CONSTRUCTION MANAGEMENT

Pursuant to language contained in the fiscal year 1998 Conference report, the Park Service—with the help of an outside panel—has been engaged in a bit of "soul searching" with regard to its construction program. This was prompted by the public outcry over the $300,000 outhouse at Delaware Water Gap NP, and some very expensive employee housing that was built at other park units.

Question. What is the status of the outside panel's review of Park Service construction management? When will the panel's report be completed?

Answer. The National Academy of Public Administration (NAPA) began their review of NPS construction management in January of this year. NAPA researchers have visited the Denver Service Center, selected parks, and regional offices. Their discussions at each office have focused on understanding how the NPS currently manages the construction program. They were provided information on funding cycles, flow of funding from Congress into construction projects, checks and balances within the system for accountability of fiscal expenditures, the selection of the professional office to perform the work, and detailed project management procedures. NAPA's final report of their findings is to be submitted in June, 1998.

Question. Can you give us any hints as to what the panel may recommend, or what your own views are regarding management of the Park Service construction program?

Answer. As of this date no official information is available to the NPS regarding NAPA's findings. The Service is aware of the program's shortcomings. In support of the Administration's initiative to improve government operations, the Denver Service Center implemented some changes in the beginning of fiscal year 1996. These changes created a totally reorganized office, revamped office practices, and reduced the work force by nearly one third. Implementation of all these changes continues and the Department and the NPS welcome the insight of the NAPA findings to aid in further improvements to the construction program.

The fiscal year 1999 line item construction list for the Park Service was delivered to the Committee only recently, as the Park Service was engaged in a careful scrub of the individual projects.

Question. Are you confident that the projects on the fiscal year 1999 construction list represent only the most critical health and safety and resource protection needs?

Answer. Yes. In February of 1998, NPS and Departmental representatives met to thoroughly review the fiscal year 1999 NPS construction program request. All potential projects from fiscal year 1999, 2000, and 2001 were screened and assessed. Only those projects that possessed the strongest health and safety, resource protection requirements, or continuing projects were recommended for inclusion in the President's fiscal year 1999 budget request.

MILLENNIUM PROGRAM

The Administration is requesting $50 million within the Park Service budget for a new program to help public and private entities preserve historic sites and cultural artifacts important to America's heritage. Half of this funding would be used for grants to States and tribes, half would be used for projects of "national scope" to be selected by the White House.

Question. If the grants to states are to be made according to existing allocation formulas, and the national funds are to be allocated under existing grant programs, why has the Administration chosen to establish an entirely new program and screening process?

Answer. In point of fact, the Administration is not proposing establishing an entirely new program. The Historic Preservation Fund is a 30-year old Federal grant program with well-established administrative processes and professional performance standards. The Millennium program to Save America's Treasures would increase the fund for two years to make a special effort to preserve our history and culture as we enter a new Millennium, but in a manner that is already familiar to the existing partners, and does not add administrative expense.

Question. Why shouldn't individual projects of national worth simply be identified and funded through existing programs or line-item appropriations for the relevant agencies?

Answer. The goal of the Millennium program is to raise national awareness of the importance of preserving our key national treasures for future generations. Quoting First Lady Hillary Rodham Clinton, "It is the turn of the century. It is the turn of the millennium. But more than that, it is an opportunity for us to take stock of who we are as Americans, what we believe in and what we want to carry into the next century." Pre-targeting specific projects would diminish the potential national awareness and desired grassroots involvement. The magnitude of our nation's most urgent preservation needs is not fully known. Predetermining projects may miss key national treasures sorely in need of assistance. The Administration's proposal provides for more open competition and public access on behalf of the full breadth of our Nation's historic and cultural treasures.

Question. Why should the grants to States and tribes be separate from the regular Grants-in-Aid to State programs?

Answer. As noted above, the proposal is not separate from the existing program per se, but rather effectively uses an already existing program while augmenting it to celebrate the millennium and to highlight this important need. The proposal neither undermines nor diminishes the existing programs to States and tribes; it is simply a program of limited duration with specifically targeted goals but within an already existing program. Too, the Millennium Grants have a slightly broader focus that the routine Historic Preservation Fund program with the additional and allowable—emphasis on collections and archives. The program should be held separate with specific regard to tribes; targeting tribal grant funds through states would violate the nation's government-to-government responsibilities to Indian Tribes.

Question. Why should Indian Tribes be given a blanket exemption from cost share requirements for the purposes of this program? Shouldn't exemption from cost share requirements at least be contingent upon a judgment that the tribe in question does not have the resources available for matching funds?

Answer. The National Park Service's 10-year experience with the Historic Preservation Fund of providing assistance to tribes has shown that, with few exceptions, tribes simply cannot provide match. Were this made a requirement, few could participate in the national program and we would all be diminished for it. In addition, there is precedent. Most Federal grant making typically exempts tribes from matching requirements or, conversely, authorizes tribes to use other Federal funds as matching share. Given the short and targeted duration of the Save America's Treasures Grants, the former approach was deemed the best administrative approach.

YOSEMITE RECOVERY

Last year Congress approved close to $200 million in emergency funding for restoration and rehabilitation of Yosemite National Park.

Question. Can you update us as to the status of the recovery?

Answer. The recovery effort is fully engaged. Most projects are on schedule with the Yosemite Flood Recovery Action Plan submitted to Congress in November, 1997. That plan outlines a 4-year timetable for substantial completion of flood related repairs. Throughout the past year, most NEPA compliance, emergency repairs, and preliminary planning for permanent repairs have been completed. A flood recovery management team is established in the park and reports to the Superintendent. A support and oversight process is established at the Regional Office and Washington levels, with quarterly review by the Office of the Secretary of the Interior and House and Senate appropriations Committees through the Flood Recovery Quarterly Reports.

One major project, the permanent rebuilding of the El Portal Road (7.5 miles of Highway 140 within the park), was delayed from January until September, 1998. The delay was due to project bidding that reflected contractor anxiety about beginning a major earth-moving project in the middle of an El Niño winter. A rebidding process is now concluded, with expected award on June 1, 1998.

Day use visitors will experience only minor disruptions from recovery work this summer. Overnight accommodations remain essentially at 1997 levels. The 250 lodge units and 350 campsites destroyed by flooding are not yet replaced. Lodge construction is scheduled to start in June of 1998. Campground reconstruction is pending a Record of Decision on the Valley Implementation Plan/Supplemental Environmental Impact Statement expected by December 1998.

Concessioner service levels continue to be impacted by the loss of 439 bed spaces in Yosemite Valley. Yosemite Concession Services, the park's main lodging provider, has chosen to use 150 overnight visitor rental units to house employees and has also installed 84 temporary dormitory beds. This results in another 150 units being unavailable for overnight visitors, but continues the strategy established in the summer of 1997.

As of March 31, 1998, $44.4 million has been obligated on the recovery effort. Current projections call for obligations of an additional $50 million this calendar year. Current estimates are generally running within 10 percent of original estimates. One project, the rebuilding of El Portal Road (Highway 140 within the park), has exceeded the original cost estimate by approximately 30 percent or $8 million. Natural and cultural preservation concerns, coupled with the precipitous nature of this Merced River canyon construction, have escalated project costs beyond the original estimate. At this time, we expect to manage the shortfall within the context of the entire $186 million recovery authorization, applying savings from other projects wherever possible. This is a design/build project and has been through a negotiated bidding process with three of the country's largest road building firms. The Federal Highway Administration is in the process of certifying the "Best and Final Offers" and expects to award the contract on June 1, 1998.

HEADWATERS PROTEST

Media reports recently described ongoing protests against the proposed deal to preserve the Headwaters Forest and other redwood groves in California. One of those reports described a sit-in taking place on a tree that was on land owned by Pacific Lumber Company. The story went on to acknowledge that the sit-in was a case of criminal trespass, and that one of the participants was a Park Service employee.

Question. While we can all appreciate the rights of your employees to exercise their first amendment rights, does the Department have any recourse when employees are engaged in a criminal activity—presumably off hours—that directly contradicts a departmental initiative?

Answer. Redwood National Park and State Park law enforcement have a cooperative relationship with the Del Norte County Sheriff and the Chief of Police for Eureka, California. The Sheriff and the Chief have jurisdiction for such an incident described. No National Park Service employee was arrested on charges of criminal trespass, therefore, we dispute the media report. Regardless, we would be guided by the Federal Government Code of Ethics and Conduct in reviewing any incident which calls into question an employee's rights and which might jeopardize the government's business.

GPRA

Question. How are the agency's annual performance goals linked to the agency's mission, strategic goals, and program activities in its budget request?

Answer. Because of the way the NPS developed its goals, there is a direct relationship between the agency's mission, its strategic goals, and annual goals. NPS is also examining the relationship of goals and program activities in the budget request. The National Park Service developed a "stack" of five annual goals in order to successfully reach each five year strategic goal. The five year goals come directly from the NPS mission goals in its Strategic Plan.

Question. How were performance measures chosen?

Answer. The performance measures were developed as part of the process of developing the goals themselves. The National Park Service found that incorporating the performance measures into its goals, and stating goals as the desired condition (such as 50 percent historic structures are in good condition) forced clarification of the goal itself. The performance measures were chosen for relevance to the goal itself—they measured success in meeting that goal; availability—where possible, existing data was used; and accessibility—data could be collected without incurring major new costs. The NPS sought to find the most economical and least burdensome way possible to measure its goals. At the same time, because the NPS sees GPRA as a management system, and not simply a reporting requirement, performance measures were chosen to be as meaningful as possible—measuring condition of resources or visitors wherever possible.

Question. How did the agency balance the cost of data collection and verification with the need for reliable and valid performance data?

Answer. In its process of developing the goals which incorporate the performance measures into them, the NPS discarded numerous goals/measures because they were too subjective, too expensive to collect, or too subject to manipulation. The NPS sought to find the most economical and least burdensome way possible to measure its goals in a way that was also reliable and verifiable. For example, the visitor survey cards which measure visitor satisfaction will be returned to a central, non-park location for electronic processing before being returned to parks to analyze specific comments. Parks need to have the written, qualitative comments in order to manage better; the NPS needs the Servicewide quantitative data in order to be able to report Servicewide performance externally.

PARK OPERATIONS INITIATIVE

In addition to a number of increases requested for system-wide initiatives, the Park Service is requesting a $6.79 million increase for the "Park Operations Initiative." The funds would be used to provide increases for 45 park units and one heritage area to meet high-priority operating needs.

Question. Would you supply for the record a list of projects that would be completed if the increase for the Park Operations initiative were $15 million? $10 million? Only $3 million?

Answer. The following table entitled "Park Specific Increase Proposals, fiscal year 1999, Various Funding Levels" provides a list of project proposals by park under the suggested funding scenarios including the President's fiscal year 1999 budget re-

quest of $6.79 million for 46 areas. It lists the proposals alphabetically by park, the dollar amounts proposed under different funding levels, the reason for the increase and the increase objective. At a funding level of $15 million 83 parks would receive funds to meet high-priority operating needs. A funding level of $10 million would reach 60 parks. Funding at $3 million would aid 16 parks.

PARK SPECIFIC INCREASE PROPOSALS, FISCAL YEAR 1999, VARIOUS FUNDING LEVELS

[Proposal amounts in thousand dollars]

Park unit	President's fiscal year 1999 request $6.79 million	Other funding scenarios—total in millions			Reason for increase and objective
		$15	$10	$3	
Adams National Historic Site, MA	.....	250	.....	.....	Increased workload: Maintain museum collections.
Andrew Johnson National Historic Site, TN	75	75	75	.....	New facilities: Upgrade Maintenance Program to Enhance Visitor Experience.
Antietam National Battlefield, MD	.....	193	.....	.....	Restore programs: Enhanced seasonal maintenance and interpretive programs.
Appomattox Court House National Historical Park, VA	.....	335	150	.....	Threats to resources: Develop Resource Management and Preservation Capabilities.
Arkansas Post National Memorial, AR	55	55	55	.....	Threats to resources: Provide resource preservation.
Assateague Island National Seashore, MD	.....	150	150	.....	Threats to resources: Improve Safety and Resource Management.
Cache La Poudre Heritage Area, CO	150	150	150	125	New Area: Provide Technical Assistance for New Heritage Area.
Cane River Creole National Historical Park, LA	100	100	100	.....	New Area: Upgrade Maintenance Program to Provide Resource Preservation.
Canyonlands National Park, UT	.....	203	.....	.....	Threats to resources: Improve visitor and resource protection.
Carl Sandburg Home National Historic Site, NC	.....	125	.....	.....	Threats to resources: Preventive preservation maintenance.
Casa Grande Ruins National Monument, AZ	72	72	72	.....	Threats to resources: Upgrade maintenance program to provide resource preservation.
Catoctin Mountain Park, MD	.....	157	.....	.....	Deteriorated infrastructure: Maintain historic/public use buildings.
Chattahoochee River National Recreation Area, GA	.....	60	60	.....	Increased workload: Provide technical assistance.
Chesapeake and Ohio Canal National Historical Park, DC–MD–WV.	140	140	140	.....	Health and safety: Provide visitor and resource protection.
Chickamauga and Chattanooga National Military Park, GA	.....	200	200	.....	Resource preservation: Address maintenance needs and resource threats.
Chiricahua National Monument, AZ	110	110	110	.....	Threats to resources: Provide resource preservation.
Cuyahoga Valley National Recreation Area, OH	.....	600	.....	.....	Threats to resources: Maintain and provide interpretation of the Cuyahoga Valley Railroad.
Denali National Park and Preserve, AK	.....	160	.....	.....	Deteriorated infrastructure: Implement road dust palliative program.
De Soto National Memorial, FL	50	50	50	.....	Deteriorated infrastructure: Upgrade maintenance program to enhance visitor experience.
Effigy Mounds National Monument, IA	107	107	107	.....	Deteriorated infrastructure: Upgrade maintenance program to enhance visitor experience.
El Morro National Monument, NM	52	52	52	.....	Threats to resources: Provide resource preservation.
Fire Island National Seashore, NY	250	250	250	200	Deteriorated Infrastructure: Provide visitor and resource protection.
Fort Davis National Historic Site, TX	.....	105	.....	.....	Threats to resources: Initiate cultural resource management program.
Fort Donelson National Battlefield, TN	.....	57	57	.....	Threats to resources: Maintain cultural resources.

PARK SPECIFIC INCREASE PROPOSALS, FISCAL YEAR 1999, VARIOUS FUNDING LEVELS—Continued

[Proposal amounts in thousand dollars]

Park unit	President's fiscal year 1999 request $6.79 million	Other funding scenarios—total in millions			Reason for increase and objective
		$15	$10	$3	
Fort Frederica National Monument, GA	60	60	60	.....	Threats to resources: Enhance maintenance program to provide resource preservation.
Fort Larned National Historic Site, KS	70	70	70	.....	Deteriorated infrastructure: Enhance maintenance program to provide resource preservation.
Fort Pulaski National Monument, GA	.....	100	.....	.....	Deteriorated infrastructure: Maintain historic structures.
Fort Stanwix National Monument, NY	50	50	50	.....	Deteriorated infrastructure: Enhance maintenance program to provide resource preservation.
Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park, VA.	.....	298	.....	.....	New lands: Manage new lands acquired since 1989.
George Washington Memorial Parkway, MD–VA	143	143	143	.....	New facilities: Enhance maintenance program for a newly-acquired responsibility.
Glacier Bay National Park and Preserve, AK	.....	387	347	.....	Health and Safety: Maintain park facilities and utility systems.
Glen Canyon National Recreation Area, UT	.....	50	.....	.....	Health and safety: Protect human health and improve water quality.
Golden Gate National Recreation Area, CA	500	500	500	450	New facilities: Enhance maintenance program for a newly-acquired responsibility.
Grand Portage National Monument, MN	.....	56	.....	.....	Threats to resources: Protect and define cultural resources.
Grant-Kohrs Ranch National Historic Site, MT	107	107	107	.....	Threats to resources: Enhance maintenance program to provide resource preservation.
Guilford Courthouse National Military Park, NC	100	100	100	100	Increased visitation: Enhance education programs and provide resource preservation.
Hampton National Historic Site, MD	.....	78	.....	.....	Restore programs: Enhance visitor services and upgrade curatorial program.
Hawaii Volcanoes National Park, HI	275	275	275	205	Threats to resources: Provide resource preservation.
Home of Franklin D. Roosevelt National Historic Site, NY	80	80	80	80	New facilities: Enhance maintenance program for a newly-acquired responsibility.
Jean Lafitte National Historical Park and Preserve, LA	.....	60	60	.....	Threats to resources: Provide increased resource management and maintain visitor center/headquarters building.
John Muir National Historic Site, CA	168	168	168	168	Threats to resources: Upgrade maintenance program to enhance visitor experience.
Kaloko-Honokohau National Historical Park, HI	.....	250	250	.....	Threats to resources: Improve park operations and protect resources.
Kennesaw Mountain National Battlefield Park, GA	80	80	80	.....	New facilities: Enhance education programs and provide resource preservation.
Keweenaw National Historical Park, MI	.....	200	.....	.....	New area: Provide Critical Resource Management Capability.

Lincoln Boyhood National Memorial, IN	50	50	50	.....	New Program: Enhance Education Programs.
Maggie L. Walker National Historic Site, VA	.....	293	225	.....	New facilities: Maintain Rehabilitated Buildings and Operate Site.
Manassas National Battlefield Park, VA	250	250	250	200	New Facilities: Enhance Education Programs and Provide Resource Preservation.
Manzanar National Historic Site, CA	137	273	273	.....	New Area: Enhance Maintenance Program for a Newly-Acquired Area.
Marsh-Billings National Historical Park, VT	244	244	244	244	New area: Operate New Unit.
Mesa Verde National Park, CO	204	304	204	.....	Threats to Resources: Provide Resource Preservation.
Minute Man National Historical Park, MA	250	250	250	200	Health and Safety: Provide Visitor and Resource Protection.
Mississippi National River and Recreation Area, MN	.....	300	300	.....	New area: Develop Partnership Programs.
Natchez National Historical Park, MS	300	300	300	300	New Facilities: Enhance Education Programs and Upgrade Maintenance Program.
National Capital Parks-Central, District of Columbia	250	250	250	200	New Area: Upgrade Maintenance Program to Enhance Visitor Experience.
National Capital Parks-East, District of Columbia	87	87	87	.....	Health & Safety: Upgrade Safety Program.
New Orleans Jazz National Historical Park, LA	100	100	100	.....	New Facilities: Enhance Education Programs and Upgrade Maintenance Program.
Niobrara/Missouri National River, NE	100	100	100	.....	New Area: Commission Support for New Unit.
Northwest Alaska Areas, AK	.....	183	.....	.....	Threats to resources: Develop Professional Archaeological Program.
Obed Wild and Scenic River, TN	.....	50	.....	.....	New facilities: Provide Visitor Services.
Oklahoma City National Memorial, OK	200	200	200	175	New Area: Technical Assistance for New Unit.
Olympic National Park, WA	88	88	88	.....	Threats to Resources: Provide Resource Protection.
Pea Ridge National Military Park, AR	62	62	62	.....	Threats to Resources: Provide Resource Preservation and Enhance Education Programs.
Point Reyes National Seashore, CA	.....	314	150	.....	Threats to resources: Protect Critical Natural Resources.
Puuhonua o Honaunau National Historical Park, HI	240	240	240	.....	Threats to Resources: Provide Resource Preservation.
Rock Creek Park, District of Columbia	126	126	126	126	New Facilities: Upgrade Maintenance Program to Enhance Visitor Experience.
Saint-Gaudens National Historic Site, NH	.....	167	.....	.....	New facilities: Protect, preserve and interpret park resources.
Salinas Pueblo Missions National Monument, NM	.....	105	.....	.....	Threats to resources: Enhance ruins preservation.
Sequoia and Kings Canyon National Parks, CA	.....	458	.....	.....	Threats to resources: Mitigate natural resources threats.
Sitka National Historical Park, AK	255	255	255	.....	Increased Visitation:Enhance Education Programs and Provide Resource Protection.
Tallgrass Prairie National Preserve, KS	.....	200	.....	.....	New area: Provide Operational Funding for a New Park.
Theodore Roosevelt Inaugural National Historic Site, NY	50	50	50	.....	Deteriorated Infrastructure: Enhance Maintenance Program to Provide Resource Preservation.
Thomas Stone National Historic Site, MD	.....	300	300	.....	New area: Maintain and operate restored historic structures.
Tuskegee Institute National Historic Site, AL	133	133	133	.....	Increased Visitation: Enhance Education Programs and Upgrade Maintenance Program.
U.S. Park Police, VA	.....	650	650	.....	Health and Safety: Increase Law Enforcement Presence on GWMP.
Valley Forge National Historical Park, PA	356	356	356	.....	Threats to Resources: Upgrade Maintenance Program to Enhance Visitor Experience and Provide Visitor Protection.
Washita Battlefield National Historic Site, OK	110	110	110	110	New Area: Operate New Unit.

PARK SPECIFIC INCREASE PROPOSALS, FISCAL YEAR 1999, VARIOUS FUNDING LEVELS—Continued

[Proposal amounts in thousand dollars]

Park unit	President's fiscal year 1999 request $6.79 million	Other funding scenarios—total in millions			Reason for increase and objective
		$15	$10	$3	
Weir Farm National Historic Site, CO	87	87	87	.....	New Area: Enhance Education Programs.
White House, District of Columbia	.....	70	.....	.....	New facilities: Provide Controlled Climate for Museum Collection.
William Howard Taft National Historic Site, OH	189	189	189	189	New Program: Enhance Education Programs and Upgrade Maintenance Program.
Women's Rights National Historical Park, NY	.....	55	.....	.....	New facilities: Operate and Maintain Restored M'Clintock House.
Wrangell-St. Elias National Park and Preserve, AK	128	128	128	128	New Facilities: Upgrade Maintenance Program to Enhance Visitor Experience.
Yellowstone National Park, WY	.....	755	175	.....	Threats to resources: Ensure Resource Preservation.

CULTURAL RESOURCE MANAGEMENT

Page 47 of the justification indicates that 2,000 structures will be added to the List of Classified Structures in fiscal year 1998 and 1999. That page also indicates that approximately 20,000 of the estimated 22,000–25,000 structures in parks have been inventoried.

Question. Does this indicate that the inventory of historic structures in the park system is close to completion? If so, do you anticipate a reduction or reallocation of resources required for this purpose in fiscal year 2000?

Answer. Yes, the classified structures inventory should be substantially complete by the end of fiscal year 2000. However, after that date, work will be needed, and continued, to keep current the basic management information concerning significance, threats, impacts, condition, use, and approved treatment of these resources. Funding, if any, which is not needed for the classified structures inventory might be reallocated and used to inventory cultural landscapes within the NPS.

INVENTORY AND MONITORING

The request includes a more than 30 percent increase ($2 million) for the Inventory and Monitoring program, which would enable applicable parks to acquire twelve basic data sets in 12 years as opposed to 17 years.

Question. Is it anticipated that the data acquired with this increase will have a significant beneficial impact on park management during the 5-year period by which data collection will be advanced?

Answer. Yes. These are data that are often needed now if impacts to resources are to be avoided, so advancing to any degree is helpful. The inventory program is moving into the collection of data on endangered species and other species of special concern. To meet Government Performance and Results Act (GPRA) baselines and goals, protect species from further losses, and to identify and protect sensitive cave and resources, basic data are needed.

Question. Why shouldn't this increase instead be used to meet the large quantity of known and unmet needs within the park system?

Answer. The lack of this information is one of the important unmet needs within the park system. In a survey conducted by the National Parks and Conservation Association in 1994, park superintendents rated "adequacy of natural resource base data" third, behind only "overall park budget" and "adequacy of workforce size" as one of the most critical needs. As such, it rated higher than 45 other needs including those such as campgrounds, transportation services, ranger tours/talks, park housing, employee morale, structure or ruin stabilization, and endangered species. The General Accounting Office and many others have also evaluated lack of baseline data as a critical outstanding park need.

An increase of $500,000 is requested for the Interior Museum Property Program, part of which appears to be for the purpose of covering shortfalls within individual bureau budgets.

Question. Is the Park Service performing functions that apparently are not a high enough priority within the other bureaus to warrant allocation of adequate resources? If so, why?

Answer. No, the National Park Service is not performing functions for other bureaus. The National Park Service has the largest holdings of museum collections at Interior and retains the funding mechanism to support the Departmentwide museum property activities. Interior's Museum Property Program was restructured in fiscal year 1998 to clarify roles and lines of authority and to improve the Department's museum services. To foster a strong and coordinated management structure for all Interior Museum Program operations, the Office of Museum Services was created to provide advice, guidance, technical assistance and training to all Interior bureaus with museum collections. The Office of Museum Services coordinates closely with the Office of Acquisition and Property Management, which continues to have responsibility for managing Interior Museum Program policies. The increase of $500,000 will provide critical funding for this Office to address the management weaknesses and deficiencies in the accountability and control over museum property.

Interior has museum collections at 739 units throughout the Department and at more than 400 nonfederal institutions. Each bureau has prepared a strategic plan for bringing the management of its collections into compliance with the Department's standards for managing museum collections. Bureaus have begun to hire curators and other professional staff, and have identified a critical need for training to effectively carry out their program responsibilities. The Office of Museum Services will provide Departmentwide training on how to care for and properly store museum collections, in addition to other areas including program planning, cataloging,

public access, use and interpretation, and environmental monitoring. The Office will promote an understanding of Interior's mission and activities; develop, demonstrate and test museum techniques and services; consolidate collections management activities; and manage all museum services in the Main Interior Building Complex. The Office will manage cross-boundary partnerships with museum and educational institutions to increase access to specialized skills and improve the effectiveness of the program. To increase appropriate access to our museum collections, the Interior Museum Property Program has developed an Internet home page to provide up-to-date information to scientists, educators, researchers, and members of the general public.

VISITOR SERVICES

VISITOR USE MANAGEMENT

The justification notes the work being performed by the National Center on Accessibility.

Question. How much is the Park Service currently spending annually on accessibility, both in retrofitting existing facilities and as additional incremental work for new construction?

Answer. In fiscal year 1998, $595,000 is funded for program direction and assistance. That figure includes the $208,000 allocated for the Accessibility Management Program and the $287,000 allocated to Indiana University for the work of the National Center on Accessibility. The NPS does not currently compile total expenditures for accessibility work being accomplished in projects undertaken at the individual parks. Most of the work is accomplished as part of the repair and rehabilitation program, the cyclic maintenance program, or the new construction program. In some areas, the entire project is devoted to accessibility concerns; in other instances, only a portion of a project cost encompasses accessibility issues. Federal law mandates that all construction and renovation projects be completed in compliance with current accessibility codes and standards. Research has shown that when access is considered in the design of new projects, the cost is very small.

Question. Is this amount increasing, declining, or about level?

Answer. The President's fiscal year 1999 budget proposes significant increases in the NPS Repair/Rehabilitation and Cyclic Maintenance programs, which will result in considerable increased expenditures for accessibility work by the Service in fiscal year 1999. We are currently exploring a means to conduct a more comprehensive condition assessment of our access deficiencies, so we can more effectively program corrective actions.

Question. How much accessibility work does the Park Service perform for other Interior bureaus, other agencies, and nonfederal entities?

Answer. In general we do not perform accessibility work for other bureaus, agencies, and non federal entities. The only exception to that would be the technical assistance and in-service education programs and services provided by the National Center on Accessibility (NCA). While the primary objective of NCA is to provide assistance to the National Park Service, they also make their services available to other agencies and organizations in the park and recreation field.

Question. Is any of this work reimbursable?

Answer. Yes, a large share of the work performed by the NCA is reimbursable. The NCA is funded partially by the Cooperative Agreement with the National Park Service, but their program is also funded through the provision of in-kind costs provided by the University, by fee for service activities, by other grants and cooperative projects, and by tuition fees generated by the continuing education programs. In almost all instances these other agencies pay for those services.

The justification indicates that the amount of appropriations from the Operation of the National Park System account that will be required for fee collection will drop from $2.9 million in fiscal year 1998 to $1.5 million in fiscal year 1999 (p. 79).

Question. Why is this $1.4 million reduction not reflected as a program decrease in the Visitor Use Management activity?

Answer. The NPS Budget Justification states that the estimated $1.4 million not needed for fee collection at demonstration parks would be reprogrammed for other park uses. Accordingly, the NPS did not propose a budget reduction as it was unclear as to what use or uses for which the funds would be reprogrammed. Since the submission of the fiscal year 1999 budget, the NPS has begun the process of re-evaluating its course of action as regards to the ONPS fee collection monies and how "non- demonstration" parks will cover the cost of fee collection in fiscal year 1999. Once a final decision is made, the NPS will submit a reprogramming as required.

Question. To what types of other activities will these funds be reprogrammed?

Answer. Should the funds be reprogrammed for activities other than fee collection costs, the activities would cover the basic park operational responsibilities of resource stewardship, visitor services, and park maintenance. The funds could remain in the park that currently has control of the funds or be shifted from one park to another to cover operational requirements that are unmet at the other park.

Question. Assuming these funds are included in the fiscal year 1999 Appropriations Act, does the Park Service anticipate submitting a reprogramming request for these funds to the Committees on Appropriations?

Answer. Should the NPS anticipate using the funds for an activity other than fee collection, a reprogramming request will be submitted to the Committees, as required. $1.5 million is being requested for the costs of background checks for law enforcement officers, in part to reduce the burden these costs place on individual park units.

HEALTH AND SAFETY

Funds were provided in fiscal year 1998 for a Workers' Compensation Initiative. According to the justification (p. 81), these funds are supporting nine positions Servicewide.

Question. Are these funds being used for retraining, actual salaries and benefits, or both?

Answer. The Department of the Interior initiated a program to create opportunities so that persons on long-term disability could return to work. The National Park Service agreed to participate by providing temporary funding for nine positions as part of its risk management initiative, with the intent of bringing eligible employees who experienced employment-related injuries back to work. As this program began being implemented, however, it became apparent that coordinating this kind of job placement was difficult. Since it has also been found that training Workers' Compensation coordinators, evaluating each case file, and funding fraud/abuse investigations as planned is proving more effective, fiscal year 1998 program resources have been redirected to these efforts in order to maintain progress towards the NPS fiscal year 1999 risk management goals. The program is still being reevaluated, and a redesigned program reflecting these changes will be submitted this summer to the Appropriation Subcommittees.

Question. Are the positions being supported all within the Visitor Services activity?

Answer. The plan had been to support all risk management activity associated with this initiative out of the Visitor Services subactivity of the Park Management activity.

Question. If not, will funding for these positions be transferred into other program areas? If so, when?

Answer. It had never been the plan of the National Park Service to transfer funds to other subactivities to temporarily support positions in those functional areas.

Question. Will new positions be supported with the Workers' Compensation Initiative funding as these positions are transferred?

Answer. As previously stated, the National Park Service is working on redesigning their program to emphasize investigations and training, which are proving to be more cost effective than the temporary subsidization of positions.

The Service is requesting an increase of $2 million for Risk Management, which will be used to contract with a consulting firm to assist parks in reducing employee accidents and related costs.

Question. What work would the Park Service be able to perform with only a $1 million or $500,000 increase?

Answer. The original request for $2 million is to assist at least 12 to 15 park units (and perhaps as high as 20 parks) with poor accident/injury rates that are not able to reduce the number of employee accidents/incidents by 10 percent per year through the year 2002. A reduction of 50 to 75 percent will result in a corresponding reduction in the number of parks that will benefit from this initiative.

Question. Will the $2 million be a one-time cost, a recurring cost for a definite period, or an ongoing cost?

Answer. The NPS anticipates this level of funding as recurring for a period of five years.

Question. What are the estimated savings in workers' compensation that would be achieved if the Park Service were to meet its safety goals for fiscal year 1998? fiscal year 2002?

Answer. We estimate that only approximately 40 percent of our annual OWCP costs can be reduced through active OWCP case management. A realistic expectation of a reduction may be as high as 10 percent of the current and projected costs.

We also believe that all Continuation-Of-Pay (COP) costs, which are paid for from the park base ($987,000 in fiscal year 1997), can be reduced by 10 percent each year. Potential savings are shown below. Since billings cover actions two years in arrears, the earliest the savings might be realized would be fiscal year 2000.

ESTIMATED SAVINGS IN WORKERS' COMPENSATION

	Percent reduction	Continuation-of-pay	Long-term costs
Year:			
1	10	$98,700	$650,000
2	20	197,500	1,300,000
3	30	296,000	1,950,000
4	40	395,000	2,600,000
5	50	493,500	3,250,000

An amount of $1.5 million is being requested for the costs of background checks for law enforcement officers, in part to reduce the burden these costs place on individual park units.

Question. Why are these funds being managed Servicewide as opposed to being included in the operational budgets of the park units that consistently have the greatest requirements?

Answer. These funds for background checks on law enforcement rangers are managed Servicewide in order to provide the flexibility necessary to match National Park Service needs. The needs of individual park units vary significantly from year to year due to fluctuations of seasonal staff. Oversight at the national level provides funding to the appropriate parks on a consistent basis. Including these funds in the operational budgets of individual parks could lead to shortfalls in park units having an increased need in a particular year.

Question. Have any park units received increases in recent years to offset the costs of background checks?

Answer. Additional funds have not been previously requested to address this specific concern. Parks have covered these costs from funding already within their park base budget.

The justification states that the $400,000 increase requested for "Airspace Issues over National Parks" will be used for one FTE to "enable national park units to participate in [the] joint FAA-NPS process which requires extensive coordination and guideline development."

Question. How will the funding requested be used beyond salaries and benefits for the one FTE?

Answer. Beyond salary, benefits, and support for the one FTE, these funds will be used to contract acoustic and aeronautical expertise for parks participating in the joint FAA-NPS process. Resolution of local issues will be facilitated by providing studies, research, or expert guidance needed in this extremely complex and technical process. The range of expertise required make contracting the only practical avenue if the NPS is to participate in this process.

Question. In the out years of this program, how will implementation costs be divided between the program and the budgets of the individual park units requiring assistance?

Answer. This proposal addresses only the provision of technical services, coordination, and guidance to the parks. All other costs, principally the costs associated with the joint planning process, would need to be born by the individual parks and, to some extent, by the Federal Aviation Administration.

U.S. PARK POLICE

The Park Police received a $12 million appropriation in fiscal year 1998 as part of the District of Columbia Appropriations Act.

Question. Please provide a detailed breakdown of how these funds will be used. Additional needs for the Park Police have been identified to this Committee, including the need for a new helicopter and additional funding for training and filling vacant positions.

Answer. The U.S. Park Police received one-time funding in fiscal year 1998 as part of the District of Columbia Appropriations Act in the amount of $12 million. A breakdown on how funds are used is as follows: Repair and Rehabilitation of the Anacostia Operations Facility (AOF), $7,750,000; provide and enhance routine assistance to the District of Columbia, $1,248,400; operation of the Aviation Unit,

$597,900; background investigations for onboard personnel, $760,000; and equipment replacement program for 54 percent of existing fleet, $1,643,700.

Question. What is the Department's assessment of the Park Police's need for a new helicopter to be based in Washington, D.C.?

Answer. The U.S. Park Police operate the only police aviation unit within the District of Columbia. The Park Police Aviation Program is operational for law enforcement, medical evacuation and rescue, and other emergency services 24 hours a day, seven days a week. There are two helicopters in the Aviation Program, one single engine helicopter (Bell 206LR) and one twin engine (Bell 206L3) helicopter. In 1992, the Park Police purchased the twin engine to replace an outdated single engine helicopter (Bell 206L). Currently, the single engine (206L3) helicopter has in excess of 7,600 hours of flight time and the twin engine has in excess 3,200 hours of flight time. The Department of the Interior's Office of Aircraft Services states that helicopters used for law enforcement and/or safety missions should be replaced at 5,000 hours flight time. Funding requests to replace the outdated helicopter have been identified and submitted, but have not ranked high enough (within available funding allowances) when competing against other NPS needs.

Question. Do the helicopters currently operated in Washington, D.C. meet operational and safety requirements?

Answer. Yes, the U.S. Park Police helicopters currently operating in Washington, D.C. meet operational and safety requirements. The U.S. Park Police Aviation Unit is regulated by Part 91 of the Federal Aviation Regulations. These regulations require that each aircraft be certified to meet certain safety and maintenance codes. Part 91 requires strict maintenance records and accountability as well as the additional need to meet passenger aircraft certification.

Question. Does the Department anticipate requesting funds for a new helicopter(s) at any time in the foreseeable future?

Answer. The U.S. Park Police continues to submit funding requests each fiscal year for two new helicopters. The NPS will submit this request for funding to the Congress when it is ranked as a high operational priority for the NPS and falls within allowance levels allowed for the NPS request.

Question. What would be the cost of a replacement helicopter?

Answer. The total cost of a replacement helicopter is approximately $10.4 million. This includes an annual recurring cost of approximately $1.8 million. The base cost of a twin engine helicopter is approximately $7 million. Additional completion cost for rescue/medivac configuration and necessary hangar modifications, which include a new above ground fuel delivery system, would cost approximately $1.6 million. The Department of the Interior, Office of Aircraft Services is paid annually for hourly flight costs, daily availability rates, and catastrophic coverage for the aircraft at an approximate total of $1.75 million. An additional $50,000 is needed annually to hire a full time mechanic to maintain both aircraft.

Question. With the Park Police now having the only law enforcement aviation program in the District of Columbia, what is the estimated increase in costs to the Park Service of providing aviation services that are wholly or primarily for municipal purposes?

Answer. The U.S. Park Police Aviation Unit is funded at $600,000 annually. In fiscal year 1997, the Park Police Aviation Unit reported that 33 percent of all missions and 26 percent of all flight hours were devoted to the District of Columbia. Therefore, approximately $152,000 of the annual operating budget was spent in providing non-reimbursable aviation services primarily for municipal purposes. Since the elimination of the Metropolitan Police Department's Aviation Unit, requests for assistance from the District of Columbia have increased approximately 40 percent over the last 22 months.

Question. Has the Park Service received any increase in services from the District government in exchange for these increased aviation costs?

Answer. The relationship between the United States Park Police and the Metropolitan Police Department of the District of Columbia is unique among Federal and municipal agencies. The Park Police have the same power and authority within the District of Columbia as the Metropolitan Police Department (MPD). Because of this relationship, the MPD and the Park Police have always used in-kind services to reimburse each other for services provided. While there has been no increase in services that can be directly related to our increase of aviation services, the interaction between the two departments occurs daily. The MPD has always assisted the Park Police with demonstrations and public events that occur in the many park areas within the District. This is especially true of the myriad demonstrations and special events that occur in the vicinity of the White House.

Question. What are priority operational needs for the Park Police that the Park Service would fulfill if it had additional resources?

Answer. The priority operational needs for U.S. Park Police are as follows:

—Personnel: recruit and hire sufficient officers to address the current shortfall of personnel.

—Communications: address the mandated conversion to a narrow band radio system by the year 2005.

—Equipment: replace outmoded and worn equipment, including vehicles, defensive equipment, uniforms, and Automated Data Processing (ADP) equipment.

—Aviation: replace two helicopters, including rescue/medivac configuration costs.

—Pension: ensure that the Park Police Pension system, which is administered by the District of Columbia government, is sufficiently funded to meet the requirements of this legally mandated program.

Question. What is the cost of filling additional positions and providing appropriate training (in appropriate increments)?

Answer. The Federal Law Enforcement Training Center (FLETC) sets the size of a training class at 24. The cost of salaries and benefits will vary according to the month in which the class starts in the fiscal year. Startup costs for new officers include applicant processing, background investigation, physicals, uniforms and equipment, travel to and from the FLETC, and training. The following breakdown includes salaries and startup costs:

COST OF FILLING ADDITIONAL POSITIONS

Month	Class size	Total cost
January	24	$1,129,012
June	24	736,176
August	24	583,677

Question. Is the Park Service confident that the Park Police are given the opportunity to compete fairly with other park service programs and park units for budget increases?

Answer. Yes. The U.S. Park Police budget requests are considered at each level of the budget process along with all other requests. The Park Police submit their requests to the National Capital Region's (NCR) budget office for inclusion in the NCR budget submission. NCR's budget request is then prioritized and forwarded to the Washington Office for inclusion in the National Park Service's budget request. At each step of this process, priorities are set for budget items by each entity. Thus, an item that is the top priority for the U.S. Park Police may fall as a much lower priority on the NCR request and this prioritization is repeated throughout the process. The U.S Park Police have received funding increases for needs comparable to other NPS operations, including a fiscal year 1997 increase of $600,000 for new operational responsibilities associated with Pennsylvania Avenue and the Franklin D. Roosevelt Memorial in the District of Columbia; in fiscal year 1998, $500,000 was provided on an ongoing basis to establish an equipment replacement fund; and the Park Service's fiscal year 1999 budget proposes an operational increase of $843,000 and an increase of $2.479 million for the Park Police Pension Fund. In addition, in 1997 the NPS received $2.3 million, including $1 million in recurring operational costs, through a supplemental appropriation for anti-terrorism needs at three parks and the National Mall in Washington, D.C. An additional $1 million was also provided to the U.S. Park Police for added security measures and operations at the Statue of Liberty. All of the operational funding has been continued as part of the base budget.

CONCESSION MANAGEMENT

$1.5 million is being requested to support concession management reform.

Question. What would be the impact on the Park Service if these funds are not provided?

Answer. If the funding is not made available, the Service would be unable to expand use of the private sector to perform various concession functions and take other steps to improve concession management.

Question. What is the total estimated cost of the concessions management support contract that the Park Service expects to issue in fiscal year 1999?

Answer. The Administration is planning to establish an advisory group soon that would review the NPS concessions management operation. This programmatic review of concessions management would help determine what will be suitable for con-

tracting out. The total estimated cost would be based upon an evaluation of options to be provided in the review by the outside advisory group.

Question. Would the Service be inclined to proceed with this contract were the $1.5 million increase not provided?

Answer. If the Service and the outside advisory group find that concessions management could be improved by contracting out specific functions to the private sector, then we will proceed with such a contract in fiscal year 1999. If no additional funds are provided, however, that contract would be limited to funds available through savings or reductions in existing concessions management. In the near term, additional funds are needed for the transition to relying more on private firms with business and professional experience to handle whatever concession management functions that the Service and the outside advisory groups identify as appropriate for contracting out. In the longer term, improved concessions management, along with concessions reform legislation, should provide for a net increase in returns to the government that exceed the near term costs.

Question. The justification states that recent changes in concessions management have resulted in increased revenues to the Park Service and improved services and facilities. Does the Service anticipate that significant additional incremental improvements would result from the requested increase?

Answer. The potential for improvements in revenues and services will be evaluated by the aforementioned review of concessions management support options. Though we expect additional improvements, it is not possible to say exactly what additional incremental improvements will result from the requested funding until the planned review determines the appropriate scope of a support contract.

MAINTENANCE

The Administration is requesting a $60 million increase for Park Maintenance, which would be split between Repair and Rehabilitation (+$37.5 million) and Cyclic Maintenance (+$22.6 million). This would more than double funding for the maintenance account.

Question. Are you confident that the Park Service has the ability to manage such a large increase in a manner that ensures that funds are used for the most critical projects?

Answer. We are confident the Service will be able to manage the requested increase for critical health/safety projects in our nation's national parks in a manner that ensures that the funding addresses the most critical projects. Considerable effort by the National Park Service and the Department has gone into formulating a prioritized list of more than 400 critical health and safety projects at park units across the country, which was provided to the Committees in early March. This, we are confidant, will ensure that this badly needed increase is directed to those projects identified as most critical.

Question. How would reducing the size of the increase (by half or two thirds) impact Park Service performance measures for the Maintenance account?

Answer. Reducing the requested increase for park maintenance by a magnitude of half or two thirds would severely impact the ability of the National Park Service to achieve established performance measures or to comply with Congressional direction to reduce the Service's maintenance backlog. A significant number of the more than 400 critical health and safety projects identified and submitted to the Committees in early March would have to be deferred for accomplishment in future years, contributing to a NPS maintenance backlog.

YEAR 2000 COMPUTER PROBLEMS

The Service is requesting a $760,000 increase for non-financial systems year 2000 date conversion.

Question. Is this expected to be a recurring cost for fiscal year 2000?

Answer. This will not be a recurring cost for fiscal year 2000. The funds will be used in fiscal year 1999 to assist small parks in two critical phases of the Year 2000 conversion program: (1) help small parks replace Year 2000 non-compliant equipment; and (2) assist small parks in procuring Independent Verification and Validation software and the training of staff in the use of this software. The software is necessary to inventory and repair Year 2000-related problems.

DIVERSITY

A $450,000 increase is being requested for an employment database and cultural diversity recruitment pursuant to the Department's strategic plan for improving cultural diversity in the workplace.

Question. How does the Department's current diversity initiative differ from past efforts and commitments to enhance diversity?

Answer. Past commitments to improve and enhance cultural diversity within the NPS have focused primarily on efforts to broaden participation in developmental programs by women and minority group members. These include the Servicewide Intake Program, the Women's Executive Leadership Program, the Executive Potential Program, and other developmental opportunities. These programs help to prepare personnel for advancement once in the system and will be continued as important management tools for the NPS. Diversity is critical in NPS because all of the NPS programs reach all segments of society.

The Service, through this request, would use $100,000 to initiate programs to attract a more diverse applicant pool from which to select future employees and $350,000 to upgrade the Service's employment databases so that employee movement through the organization may be tracked. Categories which need to be tracked include developmental assignments, management succession, career progression, and other activities that lead to advancement within the National Park Service. The system currently used to produce data on career progression is manual, inefficient, and inadequate in terms of successfully planning and managing our workforce. Moreover, these systems are labor intensive and drain FTE and other resources that could be used for other functions.

The Department continues to give high importance to diversity programs and is encouraging all agencies to take major, proactive steps to address diversity and move the Department forward. The Department has worked alongside the senior level executives and managers on diversity measures to be implemented throughout the Department.

Question. Are corresponding increases requested in the other Interior bureaus' budgets? If so, please provide a Department-wide summary for the record.

Answer. Four Interior bureaus are requesting budget increases associated with diversity efforts in fiscal year 1999. The funding requests differ from bureau to bureau based on specific needs relative to goals set out in the Strategic Plans and Diversity Action Plans for each bureau. The summary of these increase requests is as follows:

Interior bureaus requesting budget increases

Bureau	*Increase request*
Bureau of Land Management	+$539,000
Bureau of Reclamation	+525,000
Fish and Wildlife Service	+31,000
National Park Service	+450,000

All other Interior bureaus are continuing their diversity efforts at the same level of funding as in fiscal year 1998.

Question. If not, what special need for additional funding does the Park Service have in this regard?

Answer. The effective recruitment and placement of quality personnel throughout an organization is fundamental to the achievement of the authorized mission of that organization. A recent analysis conducted by the Equal Employment Opportunity Office identified underrepresentation of minority group members in eight of the Service's most populous job classifications in both the seasonal and permanent employment categories. Working toward goals that will effect noticeable improvement in these areas will require initiatives to address the very different requirements of seasonal and permanent recruitment. Further, the Service has an organizational interest (both short and long-term) in the development and career advancement of all employees. This initiative moves the NPS forward in the achievement of goals outlined in the Department and the National Park Service Strategic Plans.

EXTERNAL ADMINISTRATIVE COSTS

The justification notes that a fixed cost increase of $1.6 million for GSA space rental is requested, along with a $1 million programmatic increase.

Question. The fixed costs increase appears to be more than five percent. Why is this increase so high?

Answer. The increase for anticipated rate adjustments was calculated at approximately three percent of the fiscal year 1998 base. A separate portion of the increase ($700,000) is due to the higher security costs that GSA has incurred following the Oklahoma City bombing. The increased security costs are now starting to be passed through to their tenant agencies.

Question. For the portion of the programmatic increase designated for new parks for which space requirements have not been budgeted, why are these costs not made

part of the base budget for the park unit? Are GSA space costs funded through the consolidated account in all cases within the Park Service?

Answer. It is more efficient to consolidate all GSA space rental funding into one account, since GSA sends us a consolidated quarterly bill. The bill is then paid centrally. Management of the GSA Space Program also is centralized. All operational space that is rented and managed through GSA should be budgeted in the GSA Space Rental Account. This includes that portion of a new park's programmatic increase that requires space rental through GSA. If the increase was not budgeted, or budgeted but not funded, in the GSA Space Rental Account, then the park does absorb the cost until a budget increase is approved. Accordingly, in fiscal year 2000 we have requested funds (approximately $1.3 million) to bring all outstanding space accounts under this single managed budget.

Question. What has the Service done to respond to the recommendations made in the 1997 GAO report on telecommunications systems that was referenced in the Senate report on the fiscal year 1998 Interior and Related Agencies Appropriations Act?

Answer. The May 1997 General Accounting Office report entitled "Telecommunications Management: More Effort Needed by Interior and the Forest Service to Achieve Savings" concluded that, while the Department of the Interior had undertaken a number of telecommunications initiatives that have resulted in significant financial savings, the Department is not systematically identifying and acting on other opportunities to consolidate and optimize telecommunications resources within and among its bureaus or its 2,000 plus field locations.

The NPS has responded to the GAO report in several ways. The NPS uses and contributes management and technical resources to the shared Department of the Interior telecommunications network called DOINET. The Forest Service has become a customer of this DOI Telecommunications service. This means, for example, that NPS and the Forest Service now share some radio dispatch services, and the North Cascades National Park and the Mt. Baker-Snoqualmie National Forest share telephones services.

The NPS has also worked to develop other intradepartmental resource sharing. The Service has established sharing agreements with the Office of the Secretary, Bureau of Land Management, Bureau of Reclamation, and the U.S. Geological Survey (USGS) for telecommunications resources. The NPS is in the process of concluding additional agreements with the Fish and Wildlife Service and the USGS, and the NPS is sharing connections with these agencies at 12 DOI hub locations, resulting in a significant savings to the Service at 25 sites. At one hub in the Hawaiian Islands, the NPS worked extensively with USGS and the Department of Defense to join a DOD coalition that provides Automated Teller Machine (ATM) access to the mainland and high speed access to the "Hawaiian," the local inter-island network. The Service is also using a USGS-provided router and sharing circuits with USGS at Hawaii Volcanoes National Park and at the terminating circuit on the USGS router in Maui. Approximately five NPS sites will be up and running on May 1, 1998, and other NPS and USGS sites will be supported by this new connection as well.

The Service will continue to look for cost effective opportunities to share telecommunications resources and where appropriate request shared and or coordinated appropriations requests to fund these cost saving opportunities.

LAND ACQUISITION

STATESIDE PROGRAM

The Administration has submitted to the House and Senate Appropriations Committees its proposal for the distribution of the $362 million in 'special' land acquisition funds that were not allocated to specific projects in the fiscal year 1998 bill. The Committees are currently reviewing this proposal.

Question. Why did the Administration not request any funds for the "Stateside" grant program as part of this process?

Answer. "Stateside" grants were not requested because the Federal need for land acquisition is so great and therefore of a higher priority.

Question. Do you feel that every one of the Federal acquisitions that the Administration is requesting are of greater importance than the projects that would be conducted by the states through the Stateside program?

Answer. No, we do not think that every proposed Federal acquisition is more important than potential projects in a possible renewed Stateside program. However, we do continue to request funds for specific known Federal needs.

Question. Does the Administration continue to support the Stateside program in concept?

Answer. The Department continues to support the Land and Water Conservation Act with a Stateside program concept. However, since the Congressional hiatus in Stateside funding has provided a period of analysis of the program, we would prefer to assure that Stateside projects focus more on funding natural recreational opportunities in place of a perceived growing emphasis on building more structures like swimming pools.

NATIONAL RECREATION AND PRESERVATION

The budget request includes an increase of $3 million and 30 FTEs for the Rivers, Trails and Conservation Assistance Program.

Question. Assuming that the purposes for which the increase is proposed are justified, wouldn't the $3 million have greater impact if given to local communities in the form of matching grants, rather than spending a large portion of the increase on salaries and benefits for 30 FTEs?

Answer. The Rivers, Trails and Conservation Assistance Program (RTCA) is a technical assistance program and does not provide grants. In fact, the National Park Service believes that the program's value to the communities it assists is actually enhanced by the fact that it makes no grants. Since the main element of value that NPS can offer through the program is the time and attention of its staff, the NPS staff is able to help their partners focus on quality planning and entrepreneurial approaches to funding their implementation. RTCA projects have a strong history of leveraging the relatively small investment by NPS many times over; RTCA partners and communities go on to obtain needed financing from a wide range of sources and programs some Federal, many state and local, and others non-governmental. More partners will be able to do far more with $3 million worth of NPS assistance than would be the case through single one-time grants.

Question. Is there any evidence an additional Federal 'coordinator,' as opposed to additional financial resources, is what is needed to accomplish the objectives of this program?

Answer. The RTCA staff will not have official Federal 'coordinator' roles outside the Park Service; they will seek to coordinate and thereby maximize the benefits available through the assistance of the Service's various programs. This staff also will act as catalysts to identify community needs and work with communities to develop action plans addressing conservation and recreation needs.

Every evaluative effort undertaken to help shape the program has identified a similar response: RTCA partners report that the program's assistance in helping them examine their options, organize effective public involvement, and strengthen local institutions and organizations was what they needed. Furthermore, partners report that NPS has been the one Federal agency where those kinds of resources could be found.

REVOLUTIONARY WAR AND WAR OF 1812 STUDY

The Omnibus Parks and Land Management Act of 1996 authorized a Revolutionary War and War of 1812 historic preservation study.

Question. Why have funds not been requested to conduct this study?

Answer. Given the current fiscal constraints level, the National Park Service was forced to prioritize its identified budgetary needs. The NPS did not include funds for this study in the fiscal year 1999 request to Congress as this was a lower priority item than issues for which funds were included.

Question. How would this study differ from inventory and planning activities undertaken generally with funds provided for Resource Stewardship?

Answer. The requirement for this study is specifically authorized in the Omnibus Parks and Public Lands Management Act of 1996 (Title VI, Section 604, Public Law 104–333). The NPS has limited funds available for required cultural resource studies within its central office base budget. The scope and cost of this study is beyond the amount of funds generally available.

HERITAGE PARTNERSHIPS

The Administration is requesting an additional $1 million for Heritage Partnership Programs. The funds are to be allocated on a competitive basis to the five heritage areas and one historic district that are not already receiving the $1 million maximum funding.

Question. Does the Service feel the three areas that are already receiving $1 million are necessarily more justified than the other areas in continuing to receive that funding in fiscal year 1999?

Answer. The three areas that received the $1.0 million were in a state of readiness to spend the authorized funds effectively. Several of the other areas were, and remain, at initial stages in their process and would be unable to effectively spend $1.0 million.

Question. Would the Service prefer to see the $5.5 million, if funded, available for distribution to any of the authorized areas based upon the quality of the proposals submitted?

Answer. If the $1.0 million increase requested is appropriated, the Park Service expects to distribute the $1.0 million increase based upon the quality of the proposals submitted. The Park Service does not expect to reduce the amount of funds now currently being provided to areas.

STATUTORY OR CONTRACTUAL AID

An increase of $20,000 is requested for the Roosevelt Campobello International Park Commission in order to maintain the 50 percent cost share requirement.

Question. What process is used to set the overall budget for the Commission? For what purpose will the apparently $40,000 increase be used?

Answer. Public Law 88–363, the Roosevelt Campobello International Park Act, authorized establishment of a commission to administer the Roosevelt Campobello International Park as a memorial to Franklin D. Roosevelt. The legislation states further that * * *. "There are hereby authorized to be appropriated to the Department of the Interior without fiscal year limitation such sums as may be necessary for the purposes of this Act and the agreement with the Government of Canada signed January 22, 1964, article 11 of which provides that the Governments of the United States and Canada shall share equally the costs of developing and the annual cost of operating and maintaining the Roosevelt Campobello International Park."

Based on specifics of the legislation and the 1964 agreement, the budget for the site is prepared by the commission and submitted to the governments of each country. The budgets for the Roosevelt Campobello International Park Commission for fiscal years 1998 and 1999 consist of the following.

BUDGET FOR THE ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION

Receipts	Fiscal year budget—	
	1998	1999
U.S. grant	$650,000	$670,000
Canada grant	650,000	670,000
Provincial grants	3,000	3,000
Conference income	20,000	20,000
Sale of memorabilia	9,000	9,000
Other income	40,000	30,000
Donated assets	5,800	5,800
Visitor donations	5,000	5,000
Program assistance	24,003	24,804
Total	1,406,803	1,437,604

Funding provided in fiscal year 1999 will be used for personnel services ($1,050,676), other operating expenses ($299,928), and equipment replacement ($87,000). The net personnel increase of $32,000 over fiscal year 1998 is for pay and other benefits of the administrative, security, maintenance, guide, and gardening staff. The net operating increase of $7,120 above fiscal year 1998 is attributable to the increased costs for commission expenses, publications, utilities, insurance, cottage and grounds maintenance, and supplies.

HISTORIC PRESERVATION FUND

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The Administration is requesting a $9.8 million increase for Grants-in-Aid to Historically Black Colleges and Universities.

Question. What success has the Park Service, the individual schools and cooperating entities had in generating non Federal cost share for projects for which monies have been allocated in fiscal year 1998?

Answer. Within the $5.422 million appropriated in fiscal year 1998 for restoration at Historically Black Colleges and Universities, $4.0 million is being awarded directly to five schools at $800,000 each: Fisk University (TN), Knoxville College (TN), Allen University (SC), Selma University (AL), and Tougaloo College (MS). An additional $1.4 million in fiscal year 1998 HBCU grants is being awarded to the United Negro College Fund (UNCF). The UNCF has, in turn, subgranted these funds to Morehouse College (GA) and to Hampton University (VA) to repair Graves Hall and Virginia Hall, respectively. The UNCF will assist Morehouse and Hampton in obtaining the required matching share. The matching share must be contributed during the grant period. However, to ensure that the matching share requirement is met, the Park Service will only reimburse 50 percent of the costs incurred as the projects proceed. To date, every school funded appears to be able to contribute the required nonfederal share.

Question. Does the Park Service feel there is capability to match a significant amount of funds requested for fiscal year 1999?

Answer. Yes; to the best of our knowledge, HBCUs can provide the required nonfederal matching share over the three-year period of the grant.

Question. Does the Park Service anticipate making any grants in fiscal year 1999 to schools not specified in the Omnibus Parks Act (up to the authorized level of $6.1 million)?

Answer. Section 507 of the Omnibus Parks Act authorizes $29 million for the preservation of HBCU buildings. Specific amounts totaling $22.9 million were allocated in the Act for each of 12 HBCUs identified in Section 507—leaving $6.1 million of the authorization level not earmarked. $4.0 million of the authorization in the Omnibus Parks Act was used by the funds appropriated in fiscal year 1998, so $25 million remains. The Park Service does not anticipate awarding grants to any HBCU not specified in the Omnibus Parks Act until the $22.9 million earmarked for the twelve identified HBCUs is fully appropriated.

Under the authority of Section 101(e)(3)(B) of the National Historic Preservation Act, an additional $1.422 million has been included in the President's fiscal year 1999 budget request to provide the final funding needed for a grant to the United Negro College Fund to complete the Secretary's HBCU Preservation Initiative begun in fiscal year 1995. The $1.422 million would complete work at Hampton University and fund repairs at Spelman College and Delaware State University as well.

The Park Service was provided with $200,000 in the fiscal year 1998 appropriation to conduct onsite assessments of the twelve HBCUs identified in Section 507 of the Omnibus Parks Act. A contract with the Georgia Institute of Technology has been executed by the NPS, and a report assessing and ranking the significance and structural condition of the major historical buildings on the campus of each of the twelve HBCUs will be issued by June 1998. This report will be used to guide future budget requests.

It should be noted that there are 103 HBCUs. The General Accounting Office recently completed a survey of all HBCUs and the schools' responses estimated that $755 million is needed to repair all of the HBCUs' historic buildings.

CONSTRUCTION

FEDERAL LANDS HIGHWAYS PROGRAM

The Senate has passed an ISTEA reauthorization bill that includes funding for the Federal Lands Highway Program. The House is expected to pass a reauthorization bill this week.

Question. Based on the funding levels included in each bill for the Federal Lands program, how would funds be allocated for specific Park Service projects?

Answer. A list identifying the Administration's proposed funding of projects for fiscal year 1998 and fiscal year 1999 at $161 million annually was provided to the Committees with the NPS fiscal year 1999 Budget Justifications pages 280 to 283. At the lower funding levels proposed by the House and Senate passed bills, roughly half of the projects planned for fiscal year 1998 would have to be deferred to fiscal year 1999. That, in turn, would delay the start of projects planned for fiscal year

1999, deferring them to out years. The Service would conform to the current Servicewide priority list in determining what projects would be deferred to future fiscal years.

LAND ACQUISITION

CIVIL WAR BATTLEFIELDS

A number of Senators have expressed an interest in providing funds for land acquisition to protect Civil War battlefields. While in many cases a straight Federal acquisition is the logical and appropriate choice, there is also interest in providing funds for non-Federal acquisitions. Funds would be used by preservation groups to leverage private funds, particularly at important sites that are not part of a Federal park unit.

Question. In your view, what would be the most appropriate mechanism for executing this type of program assuming funds were to be provided?

Answer. The National Park Service's American Battlefield Protection Program (ABPP), funded in the Cultural Programs activity of the National Recreation and Preservation appropriation, would be the most appropriate mechanism for administering such a program. The ABPP is specifically mandated by Congress under Public Law 104–333 to assist non-Federal public and private entities in identifying, evaluating, interpreting, and protecting historic battlefields. The ABPP is also specifically authorized to use cooperative agreements, grants, contracts, or other means of financial assistance in order to carry out its mandate. Current law authorizes appropriations of $3 million per year for the ABPP, but the program does not include assisting in land acquisitions at present. In fiscal year 1997, ABPP distributed $745,775 in various grants; ABPP distributions in fiscal year 1999 will be about the same. If current grant levels continue into fiscal year 1999, that would leave slightly over $2 million in authorized funds for other purposes, including land acquisition. Any programs requiring funds in excess of that amount, which is a likely scenario in the case of land acquisition, would require a change in the authorizing language to raise the statutory ceiling.

FISH AND WILDLIFE SERVICE

GENERAL

GOVERNMENT PERFORMANCE AND RESULTS ACT

Question. Does the agency's performance plan link performance measures to its budget?

Answer. Yes, the FWS fiscal year 1999 annual performance plan links performance goals and performance measures to the FWS fiscal year 1999 budget request. The annual performance plan provides a crosswalk that aligns each activity for each appropriation or fund account with each annual performance goal. In addition, the Budget Justifications provide additional breakdowns of the performance goals associated with various budget activities and subactivities, accompanied by a short discussion of the goals.

Question. Does each account have performance measures?

Answer. Currently, each account does not have annual performance measures. The FWS collects and uses a large amount of performance information at various organizational levels. Selecting the right performance goals and measures is an iterative process that will improve with each planning cycle.

Question. How were performance measures chosen?

Answer. Performance measures were chosen using the following guidelines:

—Measures were developed hierarchically so FWS managers and staff would know how their daily activities contributed to achievement of performance goals.

—Measures were limited to the "vital few" that covered the key performance dimensions for the FWS.

—Measures were tied to a mission or program goal in the FWS strategic plan.

—Measures had to be flexible and adaptable to changing imperatives. For example, the measures had to be effective, yet simple to understand and credible and readily available to those who would need them.

—Measures had to be cost-effective and easy to collect; whenever possible, existing performance measures and data were used.

Question. How did the agency balance the cost of data collection and verification with the need for reliable and valid performance data?

Answer. The FWS is developing a performance data management evaluation model to ensure that all performance data is reliable and valid. Of the 96 performance indicators currently in the fiscal year 1999 Annual Performance Plan, all but 9 indicators have defined performance measurement data, verifiable data sources, and program data managers. The FWS is currently developing baseline data for the remaining 9 indicators.

Question. Does your plan include performance measures for which reliable data are not likely to be available in time for your first performance report in March 2000?

Answer. The FWS is confident that performance data essential to assessing the progress the FWS is making in achieving the strategic goals will be available by March 2000. The FWS considers the implementation of the performance management system an iterative process and, for this reason, is conducting an intensive review of the strategic and annual performance plans to improve and streamline goals and measures.

NEW CALIFORNIA REGIONAL OFFICE

Question. Given the denial of the reprogramming request, does the Service have an alternative plan that might be less cost prohibitive such as a modest enhancement of key staff (including a high level person with Regional Director authority) at the California Office?

Answer. On April 17, 1998, the Department proposed a scaled back operations office consisting of 9 FTE to provide line management and supervision of all field offices in California (including the Klamath ecosystem) and Nevada. The annualized costs of the office will be $1.2 million and the funds and staffing to establish and operate the office will be transferred from the regional office in Portland, Oregon. By letter of April 23, 1998, the House Appropriations Subcommittee approved this new office. By letter of May 6, 1998, the Senate Appropriations Subcommittee approved this new office.

Question. Is creation of a new Regional Office with associated costs of staffing and moving employees warranted during times of streamlining and flat budgets? Would restructuring of the existing regions be more feasible?

Answer. The Department strongly supports the establishment of a senior level management position in California to provide hands-on leadership and improved service to the public for the Bay/Delta ecosystem restoration initiative, the Central Valley Project Improvement Act, the ongoing Salton Sea effort, endangered species issues, the public demand for habitat conservation planning assistance, and meeting the rapidly increasing expectation of refuge and fisheries facilities in California and Nevada. At the same time, the new office will allow the Portland Regional Office to be more responsive to the public and the Department's partners in the Pacific northwest and the Pacific basin. The Department thoroughly evaluated the costs of restructuring the existing FWS regional offices and they exceeded the costs of the alternative selected and thus were not proposed.

Question. What other strategies that do not involve major restructuring has the Service explored to meet the needs identified in Region 1?

Answer. The FWS has taken several steps in recent years to meet growing workloads in Region 1 (and all its regions) without involving restructuring. First and foremost has been the increased collaboration with other Federal agencies to implement the President's Forest Plan through streamlined Section 7 consultations. This approach has reduced the amount of time previously required for timber sale consultations from over 130 days to under 45 days, on average. Second, the FWS has published an HCP handbook to guide private landowners who seek to implement a Habitat Conservation Plan which would allow economic development (such as timber harvest) to proceed while at the same time conserving habitat and species. The development of multi-species HCPs has also facilitated greater impacts. Third, the FWS has vastly improved its data collection abilities and has been able to document operational and maintenance requirements—particularly for the refuge system—which have been used to justify funding needs in the budget. This approach will also come on-line in the near future for the hatchery system and will be used to help guide future budget formulation processes and support potential budget requests, if approved.

ECOSYSTEM MANAGEMENT REVIEW

We understand the Service recently contracted with Ohio State University to review the "ecosystem management approach" as currently implemented within the Service. The results of the Survey indicate a need for more consistency and clarity Service-wide as well as better leadership and program representation. It is clear

changes are needed, however, the creation of new positions at high levels concerns us given that the Service currently has over 200 facilities either unstaffed or below adequate levels. It seems questionable that creating new positions has a higher priority than say, directing funds to the field.

Question. Will this require any new FTE's?

Answer. No additional staff will be required to implement this approach. The FWS is not expected to realize a net increase in staffing as a result of the ecosystem approach, though the FWS will fill vacant field positions as funds become available to address expanding workload requirements in the field.

Question. How much will this plan cost and how does the Service plan to pay for these positions? Will existing programs (core programs) be "assessed?" If so, how will these programs be impacted?

Answer. The FWS plans to implement this effort through the use of funds which currently exist in regional offices. The FWS underwent a downsizing during the mid-1990's that disproportionately affected its regional offices, adversely affecting some regional program staff and management. The FWS intends to rectify these over-corrections as necessary; however, this effort is ongoing and distinct from the stabilization efforts being employed under the ecosystem approach implementation. The FWS has no reason to believe that continuing to implement the successful ecosystem approach that had already begun years ago will require additional funds. No existing programs (core programs) will be assessed.

Question. What is the rationale for funding these positions rather than recruiting the right kinds of staff (with specific program expertise) more able to provide better leadership and program direction?

Answer. The FWS strongly supports expanded career opportunities, such as upward mobility career tracks, to best prepare promising employees and new hires for future senior management positions. One of the criticisms leveled at the FWS in the past had been that employees remain "locked" in their respective programs for most of their careers and when—and if—promoted to senior positions they had not been exposed to the very broad FWS mission responsibilities. Charging enterprising "rising stars" in the agency with broader landscape-based responsibilities will allow them to call on their in-depth knowledge of one program while coordinating all of the FWS programs towards an integrated accomplishment of the agency's goals. It will also help the various programs communicate better and focus efforts on overall responsibilities instead of fragmenting program implementation.

Question. Given the level of frustration, lack of success, lack of support of rank and file, and general ineffectiveness of the Ecosystem Approach (as implemented in the Service), is the Service willing to reconsider further implementation of this process?

Answer. The FWS is committed to effectively implementing the Ecosystem Approach to manage the nation's wildlife and fisheries resources.

The FWS formally adopted an Ecosystem Approach to Fish and Wildlife Conservation in the Spring of 1994. This calls for a landscape approach to resource management decision-making, emphasizing cross-program collaboration, and increasing attention to the establishment and nurturing of partnerships with other agencies, nongovernmental organizations, and landowners. To fully implement this approach, the FWS realigned its operations at the level of the Assistant Regional Director, and these individuals were given responsibility for leading one of three programs (Refuges and Wildlife, Fisheries Resources, or Ecological Services), and asked to supervise all individuals (except the law enforcement program) within a geographic ecoregion.

As is the case with all organizational changes, some friction has occurred in the field during the transition period. In general, implementation of the Ecosystem Approach has improved collaboration between the various FWS programs and significantly enhanced partnerships with other groups. However, regional offices have developed organizational schemes that differ from one another, and from the headquarters office organization. This organizational inconsistency has yielded confusion in line supervisory relationships and raised concerns about consistent implementation of nationwide program policies. The solution to this problem is to implement the Ecosystem Approach consistently Servicewide.

Question. What steps are being taken to ensure a cost effective approach and that resource benefits will actually accrue when the recommendations made by the Survey and by the Directorate of the Service are implemented?

Answer. The FWS has taken several steps to ensure a cost effective approach and to ensure that resource benefits will actually accrue. First, no additional headquarters or regional staff will be required to implement the ecosystem approach. (However, the FWS intends to fill vacant positions as funds become available to address expanding workload requirements in the regions). Second, while staffing levels

are expected to vary as a function of regional workloads, leadership positions will be consistent across regions to ensure strong programmatic and geographic management capabilities to best support field, headquarters, and external partnership needs. Also, expanded career opportunities, such as upward mobility career tracks, will help align the FWS for the future by increasing the pool of talent to help fill any leadership vacuums.

BROWN TREE SNAKE

I am increasingly concerned by reports that, despite efforts by your Department and DOD, the brown tree snakes have gotten entirely out of control on Guam and are a very serious threat to Hawaii and some of our close friends and neighbors in the Central and South Pacific Ocean.

Question. What are you doing to eradicate this pest on Guam and prevent its spread to Hawaii and other U.S. territories and commonwealths?

Answer. The control of the brown tree snake is a major priority of the Department and we continue to increase the resources we devote to this problem. We requested and received a $1 million increase in the fiscal year 1998 appropriation and we are requesting an additional $1 million increase for fiscal year 1999. At a March conference in Hawaii chaired by Assistant Secretary John Berry, we clarified our priorities for the brown tree snake program. The first priority is to contain the snake on Guam and prevent dispersal to other areas. More than $2 million is dedicated this year to this effort in the form of inspecting cargo leaving Guam or arriving on other islands from Guam. Our research program also complements these operational efforts by improving engineering and development of snake barriers, attractants for traps, and toxicants.

Our second priority is to develop a capability to eradicate new incipient populations of snakes when detected so that what has happened on Guam is not repeated anywhere else. Our third priority is to reduce existing brown tree snake populations over large geographic areas on Guam. We see this as a long term effort as we search for a toxin or biological control that is effective and environmentally acceptable. Reducing snake populations over large geographic areas is also a necessary step to our other major priority, which is to protect endangered species and other wildlife from brown tree snake predation. Through efforts coordinated under an interagency and intergovernmental memorandum of agreement on brown tree snake control, we are also trying to get state and local governments and other Federal agencies to commit more resources to this effort and become more active in the program.

Question. What are you doing to raise awareness and coordinate actions regarding such pests with our allies and international organizations?

Answer. Last December (1997) we worked with the Department of State to have United States diplomatic missions throughout the Central and South Pacific contact all host countries, including small island developing States, to alert them of the environmental crisis on Guam as a result of the infestation by the Brown Tree Snake (BTS). We explained our desire to work with them in coordinating activities, collecting and sharing information, increasing public awareness, and other actions aimed at protecting the ecology and biological diversity of the region from the threat of BTS and other invasive alien species.

We followed this up in April by proposing that a U.S. delegation headed by the Department of the Interior travel to (Western) Samoa to meet with the South Pacific Regional Environment Program (SPREP), and to New Caledonia to meet with the South Pacific Community (SPC), to inform each of these organizations of our desire to work more proactively with them to heighten international awareness and to promote cooperation in meeting the threat posed to fragile island environments in the region by invasive alien species.

We are also working with other agencies and non-government organizations (NGOs) to help bring more international focus to this issue. In addition, the draft Executive Order that we are presently coordinating with other agencies in response to Vice President Gore's initiative on invasive alien species will address our desire to pursue international cooperation on a global basis.

Congress included the Brown Tree Snake among the species covered in the "Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990." An interagency Brown Tree Snake Control Committee was formed in 1993; and in 1996 the Brown Tree Snake Control Plan was issued by the Department.

Question. Is this plan still current? What is the current estimated budget requirement for the Plan's implementation?

Answer. The framework of the approved Brown Tree Snake Control Plan remains appropriate and useful, but specific actions and tasks need to be updated and re-

fined, additional actions added, and cost estimates revised. Substantial additional research and studies suggesting new avenues for addressing this problem and refinements of previously identified approaches has been completed since the plan was formulated. In addition, experience implementing the existing plan has resulted in refinements of on-going activities and tasks and provides an improved basis for estimating their costs.

The Department and other State and Federal agencies continue to use the Brown Tree Snake Control Plan as the guide for control and research activities. The plan outlines total funding needs for five years. Through fiscal year 1999, those needs are as follows:

BROWN TREE SNAKE CONTROL PLAN FUNDING

	Fiscal year	Millions
Year:		
1	1997	$4.48
2	1998	4.70
3	1999	4.50

If funding requested is appropriated, the current plan is likely to be fully funded in fiscal year 1999.

Question. Last year, Vice President Gore called on the Administration to mount efforts to address the threat posed by the inadvertent spread of non-indigenous pest species. Could you provide the Committee with a status report on this initiative?

Answer. On June 17, 1997, Vice President Gore directed preparation of the Administration's strategy to combat introduction and spread of plants and animals that are not native to ecosystems in the United States and which are now causing or could potentially cause great economic and ecological harm to our nation. The Vice President asked the Departments of the Interior, Agriculture and Commerce to prepare the strategy in consultation with the Council on Environmental Quality and Office of Science and Technology Policy in the Executive Office of the President.

A draft Administration action plan ("Draft Action Plan") has been prepared which responds to the Vice President's request and recommends steps to address all invasive alien species ("IAS"). The Draft Action Plan is the work product of the Administration's ad hoc Invasive Alien Species Task Force ("Task Force"). The Task Force members represent the federal agencies above and other federal agencies with interests in invasive alien species. Most of the participants are already involved in one of two standing federal committees addressing invasive alien species: the Aquatic Nuisance Species (ANS) Task Force and the Federal Interagency Committee for the Management of Noxious and Exotic Weeds (FICMNEW).

The Draft Action Plan briefly describes the problems caused by IAS and reviews needs, shortcomings, and key issues. It then sets forth goals, objectives, and principles for actions to be taken. Next are eight recommendations addressing management and policy, followed by a list of recommendations organized by types of actions needed to address IAS. These are (1) listings, (2) preventing entry, (3) detection, (4) rapid assessment and eradication, (5) control, restoration, and monitoring, (6) cross-cutting research and technology, (7) national information needs, (8) partnerships, education and outreach, (9) international cooperation, and (10) fund raising and financial responsibility. A draft summary of legal authorities follows at the end of the document.

The Draft Action Plan has been prepared by the Task Force with anticipation of public dissemination and comment through a national council called for in Recommendation 1.

To accelerate action and increase awareness, the Task Force is recommending that an executive order on the topic be issued in the next few months. We expect that the executive order will establish a national council on invasive alien species and will mandate several tasks, including preparation and annual revision of an interagency management plan. The plan will specify actions and resources needed for implementation and is to be submitted to OMB for consideration in the budget process. The order is expected to set specific due dates for completion of the management plan and for review of authorities and recommendations to agencies on priority actions to be taken within existing authority. The council will produce an annual report and advise Congress of gaps in authority which may hinder accomplishment of the management plan goals and objectives.

FWS VETO POWER OVER STATES IN ISSUANCE OF POINT SOURCE DISCHARGE PERMITS

In July, 1997, the Fish and Wildlife Service and the EPA released a draft Memorandum of Understanding which would require all states with delegated National Pollutant Discharge Elimination System (NPDES) permit programs to enter formal Section 7 consultations with FWS prior to issuing any NPDES permits. As a result, the fear is that FWS is gaining a veto power over the issuance of point source discharge permits in every state.

Question. Is that what the FWS intends to do? Under what authority?

Answer. The draft Memorandum of Agreement (MOA), was based on interagency negotiations between the Environmental Protection Agency (EPA), the National Marine Fisheries Service (NMFS), and U. S. Fish and Wildlife Service (FWS). Negotiations were conducted over six months and the draft was sent to the regional offices of FWS, NMFS, and EPA for internal review. A number of misconceptions about the document, which is still under negotiation, have since emerged. There was never any intention on the part of FWS and NMFS to establish any "veto power" over state-issued NPDES permits. The draft MOA is strictly a coordination mechanism between federal agencies and does not impose any obligations or requirements on states, tribes, or permit holders.

The role of FWS and NMFS is to comment on state-issued draft permits under existing Clean Water Act (CWA) regulations as part of the federal review necessary to avoid substantial impairment of fish, shellfish, and wildlife resources, including threatened and endangered species, under 40 CFR 124.59 (b). EPA may object to a permit under existing CWA authority if a permit does not support the objective of the CWA to restore and maintain the chemical, physical, and biological integrity of the Nation's waters, including the goal of providing water quality which provides for the protection and propagation of fish, shellfish, and wildlife.

Where a federal action occurs, such as the EPA approval of a state's assumption of NPDES permitting authority, EPA approval of new or revised water quality standards, or EPA's issuance of NPDES permits where state assumption has not occurred, the Endangered Species Act (ESA) requires consultation with the FWS and NMFS if listed species may be affected by the action. The ESA further prohibits all federal agencies from taking any action that will likely jeopardize the continued existence of a listed species. EPA has consulted numerous times with the FWS and NMFS on this basis in relation to CWA programs.

Separate consultations on state-issued NPDES permits is not the goal or the purpose of negotiations on the MOA. Where endangered species impacts are identified, the FWS and NMFS will work with the state and EPA to lessen such impacts. If the FWS and NMFS determine that a NPDES permit is likely to jeopardize a listed species and EPA agrees, EPA may use its existing authority under the CWA to review the permit and federalize it.

Question. What is the status of the MOU between FWS and EPA?

Answer. The draft MOA (July 1997) is still being negotiated. At the present time, the federal agencies are focusing on coordination procedures for EPA approval of state assumed Section 402 (NPDES) and Section 303 (Water Quality Standards) of the Clean Water Act, the review and comment on draft permits under existing CWA regulations, and a joint research initiative to better evaluate risks to endangered species posed by activities authorized by water quality programs. The EPA, FWS, and NMFS hope to conclude the negotiations on these sections of the CWA soon and then in turn, the coordination procedures for EPA approval of State assumed Section 404 (Wetland Dredge and Fill program) and Section 405 (Sewage Sludge program).

Question. What sort of public participation or outreach does the Department/FWS intend to use to educate state or other impacted stakeholders?

Answer. The EPA, FWS, and NMFS are considering the possibility of publishing a joint Notice of Availability and perhaps a revised MOA in the Federal Register to facilitate public review and comment on the agreement. We understand that EPA has coordinated extensively with state and tribal CWA program partners to fully explain the agreement and to clarify the implications (which the federal agencies believe are minimal) for state assumed NPDES programs.

Question. Isn't this contrary to Congress' intent to delegate permitting authority to the States?

Answer. The states unquestionably have the authority to issue Clean Water Act program permits once EPA has approved their application to assume the program. The FWS and NMFS provide input to EPA in two circumstances:

(1) under existing CWA regulations, by reviewing and providing comments on state-issued draft NPDES permits as part of the federal review envisioned as necessary to avoid substantial impairment of fish, shellfish, and wildlife resources, and

(2) under existing ESA regulations, when EPA undertakes a federal action, such as approval to permit program assumption by a state or tribe, approval of new or revised state water quality standards, or EPA's issuance of NPDES permits where state assumption has not occurred.

Both statutes complement each other and are intended to assure that sensitive wildlife resources, including biological communities in the aquatic environment, are adequately addressed. The draft MOA does not add any new requirements beyond what is already present in existing CWA and ESA regulations and it will provide for consistency in federal interagency coordination under ESA and CWA programs. Finally, the MOA should provide for more effective protection of listed species during the review and comment process under CWA permitting programs, as well as for EPA approval of State Water Quality Standards.

FISHERIES

FISHERIES PROGRAM—GENERAL

Question. How much of the increase received in fiscal year 1998 for Refuge operations has been used specifically to improve fishery resources, fishery management, and fishing access on refuges? Will this situation continue in fiscal year 1999?

Answer. The Refuge Operations budget was increased $19.75 million in fiscal year 1998 over the President's Budget request to complete specific projects. Of that amount projects with a combined value of $2.25 million are oriented predominately to fishery benefits. In addition, because the majority of the remaining $17.75 million in projects combine a mix of visitor improvements, comprehensive planning, enhanced biological surveys, wetland management, habitat restoration, or facility improvements, they have multiple benefits that include fisheries and aquatic resources. It is conservatively estimated that a minimum of 10 percent of the value of these projects contribute directly to fisheries conservation and enjoyment.

Combining these two elements ($2.25 million predominantly fisheries projects plus 10 percent of $17.75 million in remaining projects) results in a total of $4 million or 20 percent of the value of the projects accruing to fisheries benefits. It is expected that approximately this same proportion will continue in fiscal year 1999. Projects currently underway include initiating instream and riparian habitat improvements for Columbia River Basin salmonids, improving water management in the Klamath Basin and Central Valley of California, assisting in the recovery of endangered Colorado River fishes, conducting fisheries studies at several Alaska refuges, and expanding the number of access sites and facilities to increase angling opportunities in all Regions.

An aquatic resources challenge cost share component is funded at $600,000 to provide access and facilities for increased recreational fishing and improvements to aquatic habitats on refuges through expanded partnerships (50 percent cost share) with cooperating non-Federal agencies and organizations.

Question. How much of the increase received in fiscal year 1998 for listing and recovery under the ESA has been used specifically to support involvement of the Fisheries Program in these activities? Will this situation continue in fiscal year 1999?

Answer. None of the increase received in fiscal year 1998 for listing and recovery under the ESA has been used to support the Fisheries program. None of the increases requested in fiscal year 1999 for listing and recovery will support the Fisheries program.

The FWS was appropriated an increase of $190,000 in fiscal year 1998 for the listing program, an increase of 4 percent. This increase has been critical to help the FWS dig out of the backlog created by litigation resulting from the fiscal year 1995–1996 listing moratorium and reduction of listing funding. Listing is the mechanism through which plant and animal species are afforded the full range of protections available under the Endangered Species Act including: prohibitions on taking, import/export and commerce, and possession of unlawfully taken endangered species; recovery planning and implementation; and Federal agency consultation requirements.

During fiscal year 1998, the listing appropriation of $5.2 million will be used to: propose approximately 70 species for listing; add 100 species to the list; and process approximately 25 petition findings. The FWS will also reduce its outstanding obligation under the settlement agreement in Fund for Animals vs. Babbitt by resolving the conservation status of many high priority candidate species through the issuance of proposed listings or findings that proposed listing is not warranted.

The Department has requested a general increase of $1.7 million for the listing program in fiscal year 1999. None of this funding will support the Fisheries pro-

gram. The FWS requires this increase in fiscal year 1999 to return to a more balanced listing program and to complete overdue listing actions that are prompting lawsuits, many the continuing result of the listing moratorium and elimination of funding. During 1999, the FWS expects to add approximately 100 species to the lists of endangered and threatened species, issue proposed findings for approximately 100 species, and process petition findings for 30 species. The Department has also requested an increase of $0.4 million for the listing program to support the Southwest Ecosystem Initiative; this is one component of a package totaling $3.0 million which includes an increase of $0.7 million for the Fisheries program.

The FWS was appropriated an increase of $2.8 million for the recovery program for fiscal year 1998, or 7 percent. The ultimate goal of threatened and endangered species conservation is to recover listed species to levels where protection under the Endangered Species Act is no longer required and they can be removed from the list. During fiscal year 1998, the recovery appropriation of $42.5 million will be used to develop some 25 Safe Harbor Agreements, complete draft and final recovery plans for at least 50 species, and evaluate and propose for delisting some 29 species.

The Department has requested a program increase of $10.5 million for the recovery program in fiscal year 1999. None of this funding will be used to support the Fisheries program. The FWS requires this increase in fiscal year 1999 to more efficiently and effectively implement the Endangered Species Act reforms to increase stakeholder involvement in both recovery planning and implementation and by increasing recovery actions by involving more private land owners through the Safe Harbor program. In addition, the Department has also requested an increase of $0.7 million for the Southwest Ecosystem Initiative discussed above and an increase of $1.0 million for a Platte River Recovery Implementation Program; both of these increases are included in the recovery program.

The FWS Fisheries program supports the recovery of nearly one third of 108 fish species listed under the ESA. Program activities include stock assessment/identification, habitat restoration, captive propagation, and refugia for at least 32 aquatic species listed under the ESA. These activities are specified in approved recovery plans. Fisheries biologists also serve as members of Recovery Teams for listed fish species. This will continue in 1999.

The Department has requested increases for the Fisheries program in fiscal year 1999 that directly support the recovery of listed species. For example, an increase of $0.5 million will support on-the-ground projects that restore and enhance native trout habitats on Federal, state, and private lands nationwide. Many of the target species are listed or under consideration for listing. An increase of $0.7 million will support the Southwest Ecosystem Initiative to reestablish native vegetation, restore pool habitats, improve water quality and quantity to support endangered fish species such as the loach minnow, spidedace and Gila topminnow; the threatened Apache Trout, endangered Gila trout and at-risk Rio Grande cutthroat trout. An increase of $0.9 million will fund on-the-ground fish passage in high migratory corridors for proposed and listed species including the Atlantic Salmon and Pacific Northwest anadromous species; this increase is tied to a parallel increase in the project planning function for additional FERC relicensing evaluations to support fish passage solutions. The Department also notes that a modest amount of base Endangered Species program funding ($10,000 to $20,000) is made available to support specific fisheries projects.

HATCHERY OPERATIONS

Question. How much of the increase received in fiscal year 1998 for recovering species listed under the ESA was allocated to the National Fish Hatchery System to expand and improve production of listed species? How much of this funding will the System receive in fiscal year 1999?

Answer. The National Fish Hatchery system has not received any portion of the fiscal year 1998 increase for recovery under the ESA and there are no plans to transfer recovery funding to the fisheries program in fiscal year 1999. As discussed above, the funding appropriated to the recovery program is used for very specific purposes and is critically needed to recover listed species to levels where protection under the Endangered Species Act is no longer required and they can be removed from the list.

However, the National Fish Hatchery System is working with 30 species listed under the ESA, representing over one quarter of listed North American Fish species. There are currently 75 approved recovery plans, many of which specify developing captive propagation and refugia technology at fish hatcheries. There are 20 FWS hatcheries involved in these efforts, along with the FWS's Fish Technology and Fish Health Centers, which provide technology support to the hatcheries. Currently, 19

of the listed species held within the Hatchery System are being propagated for release into the wild. The fiscal year 1999 President's Budget requests an increase of $0.5 million, or 7 percent, to implement projects to reduce the backlog of critical health and safety projects. In addition, the President's Budget requests full pay and uncontrollable cost increases for the hatchery program.

Question. How will the FWS's hatcheries, as well as State and Tribal hatcheries, be affected by the proposal of the Biological Resources Division of the Geological Survey to terminate its drug and chemical registration research?

Answer. Of the twelve drugs and chemicals that have been identified as essential to FWS Fisheries operations, only three are approved by the U.S. Food and Drug Administration for use in aquaculture. BRD is performing the research, in cooperation with states, necessary for approval of several of the drugs that have been identified as essential to FWS Fisheries programs. As part of this research effort, the FWS is using these drugs under FDA authorized Investigational New Animal Drug (INAD) exemptions to provide field efficacy data on use of these non-approved drugs. This data is being provided as part of the BRD drug approval research package.

Curtailment of research could decrease chances of interim use of essential unapproved drugs during the annual process.

If the Biological Resources Division (BRD) terminates its aquaculture drug and chemical approval research, it may be difficult for FWS to obtain approval for drugs necessary for fish production programs, including its endangered and threatened fish production and refugia programs. Fish production at most National Fish Hatcheries could be reduced, including production at hatcheries involved in the restoration of nationally significant fishes such as Atlantic and Pacific salmon, striped bass, sturgeon species, and endangered and threatened fish species. State, Tribal, and private producers will be similarly affected.

Question. We understand the Fisheries Program is developing a Fisheries Operational Needs System (FONS) similar to the RONS used by Refuges. How will the Fisheries Program use this information and, assuming there is a compelling need to create this System, why hasn't the FWS requested additional operating funds for its hatcheries in fiscal year 1999?

Answer. The FWS has documented the operating needs of the National Wildlife Refuge system through the Refuge Operating Needs system. The FWS has begun to use a similar tool called the Fisheries Operational Needs System as a systematic method for collecting data on unmet federal fishery resource needs. The FWS plans to begin using the FONS to collect data on unmet fishery resource needs by midsummer 1998.

Once the FONS is in place and unmet needs are identified and prioritized, the FWS will use the FONS-generated data to identify and support additional funding needs and requests for internal budget formulation priority setting and for possible documentation of fisheries increases if the FWS leadership includes fisheries increases in future budget requests to the Department. These operational needs would then be evaluated against all the other priorities and all the other unmet needs in the FWS, including the endangered species program, when the Department formulates future budgets. This same evaluation will then be conducted by the Office of Management and Budget.

The Department did not request additional operating funding for the National Fish Hatchery system in 1998 for several reasons, primarily:

The Department placed a higher priority on the need to more efficiently and effectively implement the Endangered Species Act and on the needs of the National Wildlife Refuge system.

In regards to fisheries restoration, the Department placed a higher priority on on-the-ground habitat restoration activities. The fisheries specific restoration increases included in the FWS budget are for native trout restoration, fish passage, FERC relicensing, etc. Other FWS increases for fiscal year 1999 directly support the restoration of fisheries resources, notably the FWS component of the Administration's "Clean Water and Watershed Restoration" initiative. This includes a $2.5 million increase for riparian habitat restoration projects in the Partners for Fish and Wildlife program and an increase of $3.0 million in the North American Wetlands Conservation Fund.

Question. The National Wildlife Refuge System received substantial increases for its operational needs in fiscal year 1998. How is the National Fish Hatchery System addressing these same kinds of needs in the absence of any substantial increases in appropriations?

Answer. The National Wildlife Refuge system received substantial increases for its operational needs in fiscal year 1998 because there was a national consensus that the refuge system was broken and needed fixing. Both the Administration and the Congress recognized this by working together to pass the National Wildlife Ref-

uge System Improvement Act of 1997 and to secure additional operations and maintenance funding.

The National Fish Hatchery system has not received major funding increases in recent years (nor, for that matter, have the majority of the programs in the FWS or the Department). Given ongoing budgetary pressures, the hatchery system worked during fiscal year 1996 and 1997 to align fish production with Federal priorities and transferred to the respective states six National Fish Hatcheries that primarily produced fish in support of state programs. By the end of 1998, the production of the remaining 65 NFHs will be aligned with Federal responsibilities. Savings realized by the transfer of these hatcheries totaling $1.1 million were left in the hatchery program to provide some operational relief.

The savings from hatchery transfers has been reinvested into the fisheries program in an effort to restore the FWS's ability to meet high priority Federal responsibilities. Had the FWS not done this, the Fisheries Program would have continued to fall substantially short of fulfilling its core responsibilities.

The Department has requested full funding for pay and other uncontrollable costs for the hatchery system for both 1998 and 1999; this funding was appropriated in 1998 and is pending for 1999.

The National Fish Hatchery system is currently addressing its operational needs by ensuring that its various warm, cool, and cold-water Hatcheries, Fish Health Centers, and Fish Technology Centers are fully integrated and are aligned with Federal responsibilities and priorities. This is now being accomplished by a Three A's survey (alignment, appropriate, adequate) of its 80 facilities.

The Fisheries program is also nearing completion of its Fisheries Operating Needs System to identify the most critical operational needs for Fisheries facilities, with quantified benefits identified at the outset. Data entry is planned to begin this summer. This tool will help in future priority setting within the FWS and the Department.

Question. How many positions are vacant in the National Fish Hatchery System because of insufficient funding? Identify them by job series and location, and explain how those vacancies have affected the operation and performance of the System?

Answer. There are no vacancies in the hatchery system because of insufficient funding. Vacancies that do exist are because of the priority placed on the needs of the Endangered Species program, the National Wildlife Refuge system, and on-the-ground fisheries restoration projects. The hatchery system is able to meet its highest priority mission needs with the funding included in the President's budget.

FISH HEALTH PROGRAM

Question. Provide a detailed accounting of how the FWS is spending the $1.8 million it received for whirling disease in fiscal year 1998, and identify specific progress made in combating this disease.

Answer. The funds received for fish health in fiscal year 1998 are being spent as follows:

—$300,000 to the USGS Biological Research Division and the University of California-Davis to improve detection techniques and conduct strain susceptibility studies;

—$100,000 to support cooperative studies at the FWS Bozeman Fisheries Technology Center focusing on whirling disease control;

—$700,000 to support the activities of the National Partnership for the Management of Wild and Native Cold Water Fishes housed at Montana State University;

—$600,000 to support the National Wild Fish Health Survey operated by the FWS nationwide; and

—$100,000 to support the compilation and maintenance of an Internet accessible National Fish Health Database.

While the effects of whirling disease are both significant and widespread, multi-agency resources are being rallied to eradicate and control it. The scientific community and fishery resource agencies have made impressive strides in their efforts to combat whirling disease, but lack the means to easily control the disease. For example, with the $300,000 allotment, the Biological Resources Division and its partners developed a new, more precise detection technique to assist in identifying the distribution of the disease. The method is also used as a research tool. A significant portion of the $1.8 million allocation is devoted specifically to whirling disease projects with another portion addressing the larger issues of pathogens and parasites in wild populations.

The National Wild Fish Health Survey was initiated in response to our lack of information about diseases and pathogens in wild fish. This was glaringly apparent

in the whirling disease crisis seen in the intermountain west. The National Wild Fish Health Survey, while begun only last year, has proven remarkably successful. State and Tribal fishery management agencies have applauded the FWS's leadership in stepping forward and establishing the Survey as a critical link necessary for effective management of wild stocks. Last year, over 5,000 fish were sampled from over 190 sites on Federal, State, Tribal, and private lands across the country. This was accomplished by forming collaborative partnerships with more than 72 different groups, through which States, Tribes, and private groups participated in determining sampling sites and providing resources for fish collections. The FWS has requested an increase of $200,000, or 33 percent, for this survey for fiscal year 1999.

Question. Why hasn't the FWS requested additional funding so its fish health capabilities can be brought to bear on the Pfiesteria problems in Chesapeake Bay and North Carolina?

Answer. The lead for Pfiesteria activities in DOI resides with the Biological Resources Division of the United States Geological Survey.

The FWS has been and will be contributing significantly to the management of this particular fish health problem by supporting other DOI and state Pfiesteria activities. For example, the devastating whirling disease crisis of the intermountain west prompted the FWS to initiate a National Wild Fish Health Survey in 1997. The Survey has the potential to help fishery management agencies understand and control a number of diseases afflicting wild fish stocks, including Pfiesteria. The FWS has requested an increase of $200,000 for the Wild Fish Health Survey in 1999.

Question. The FWS budget request suggests the FWS is not interested in providing the same kind of aggressive leadership in combating Pfiesteria as it has in addressing whirling disease. Why?

Answer. The Department is actively involved in the overall effort. Because of the nature of the disease (its affect on humans as well as wildlife, and ties to agricultural practices) the Pfiesteria effort is managed collectively by several federal agencies. The DOI lead rests with our science agency, the United States Geological Survey. The FWS is an active DOI cooperator and had had critical input into DOI plans and budget initiatives.

FISH TECHNOLOGY PROGRAM

Question. Why does the FWS need three Fish Technology Centers in the Southwest United States? What actions would be required to place the former San Marcos National Fish Hatchery and Technology Center in caretaker status as a unit of the National Wildlife Refuge System?

Answer. The FWS presently has two Fish Technology Centers in Region 2, the Southwest Region, which consists of the States of Oklahoma, Texas, New Mexico, and Arizona. San Marcos is a warm-water Fish Technology Center located in central Texas. The Southwestern Fisheries Technology Center has two units in New Mexico: Dexter, a cool-water facility in southern New Mexico and Mora, a cold-water unit in northern New Mexico.

The Southwestern Region encompasses a diverse and broad, expansive area that contains at least eight dynamic ecosystems. Aquatic habitats range from warm to cool and cold-water. Terrestrial habitats range from arid deserts to moist Rocky Mountains, with many stages in between. Additionally, many of the ecosystems in the Southwest are extremely altered by perturbations ranging from construction of dams on the Colorado River to agriculture and urbanization in Texas and Oklahoma. Also, the Southwest Region has a very large number of threatened and endangered species and the FWS recognized early on that progressive recovery efforts and water conservation development would require additional facilities.

In the early 1990's the FWS had only San Marcos FTC and Dexter FTC. Realizing the need for water conservation and related technology development, the FWS developed a plan to construct Mora FTC, which has been fully funded and almost completed. The Dexter, San Marcos, and Mora Units were planned to be combined under one administrative unit, the Southwestern Fisheries Technology Center. At about the same time, the Biological Resources Division assumed operational responsibility for the San Marcos facility. The Dexter and Mora FTCs were combined into the Southwestern Fisheries Technology Center. The FWS and the Biological Resources Division have subsequently entered into an agreement whereby the FWS will resume the responsibility for the operation and maintenance of the San Marcos FTC facility.

Placing San Marcos into caretaker status as a unit of the National Wildlife Refuge System would diminish the abilities of the FWS to use the facility for resource conservation, restoration, and recovery. Historically, San Marcos has made an impor-

tant contribution to the FWS Fish Technology Development program. In addition, San Marcos has a court ordered mandate of being a refugium for endangered species of central Texas and conducting technology development studies.

HATCHERY MAINTENANCE

Question. Is the maintenance situation on National Fish Hatcheries, in general, more urgent than that on National Wildlife Refuges? Compare the capitalized values of both systems to their maintenance backlogs and maintenance appropriations.

Answer. By several standards, most National Fish Hatchery and National Wildlife Refuge facilities (as well as National Park units and facilities managed by the BLM) are in need of additional funds for their maintenance needs. While industry standards call for funding maintenance at 2 percent to 4 percent of the replacement value of facilities, over the last decade Hatcheries and Refuges have received only about 1 percent of the replacement value of their facilities for their maintenance needs. As a result, the lists of deferred maintenance projects in both Hatcheries and Refuges have grown substantially.

Using a Facility Condition Index (FCI), which is the cost of deferred maintenance projects as a fraction of the total capitalized value of a facility, the average facility in both the Hatchery and the Refuge system must be characterized as being in poor condition. Facilities are judged to be in good condition if their FCI is 0 to 5 percent, in fair condition at 5 to 10 percent, and in poor condition if over 10 percent With a fiscal year 1998 backlog of $599 million and a capitalized value of approximately $4.5 billion, the National Wildlife Refuge System has an aggregate FCI of about 13 percent. The National Fish Hatchery System, with a re-estimated $151 million backlog and a capitalized value of approximately $800 million, has an aggregate FCI of about 19 percent. Given this overall situation, the Department has proposed a 5-year plan to systematically address the maintenance backlogs in the three land management agencies. This includes the FWS refuge and hatchery systems, and is discussed in detail below.

Question. The National Wildlife Refuge System received substantial increases for maintenance in fiscal year 1998 to attend to unmet needs. How is the National Fish Hatchery System addressing those same kinds of needs in the absence of substantial increases in appropriations?

Answer. The National Fish Hatchery System is currently provided $6.9 million annually for maintenance needs. The Department has requested an increase of $0.5 million, or about 7 percent, for the highest priority critical health and safety and natural resource maintenance backlog needs in the fiscal year 1999 budget. The Department will evaluate the needs of the hatchery system against other priorities during the fiscal year 2000 budget formulation process.

Question. Why is the Fish and Wildlife Service spending so much more on maintaining its refuges than its hatcheries at a time when the FWS's own data indicate that its hatcheries are in far worse shape physically than its refuges? Aren't the operating needs of refuges also getting much more attention than those of hatcheries? Why?

Answer. The maintenance funding levels for both the National Fish Hatchery System and the National Wildlife Refuge System are both under 1 percent of the capitalized value of the facilities in each System. The FWS is cooperating with the Department in the development of standardized definitions and consistent criteria for tracking and evaluating the maintenance needs of all its facilities. The FWS is confident that these efforts will help identify critical FWS maintenance needs.

Regarding the operating needs of Refuges and Hatcheries, both Systems are struggling to use their finite financial resources effectively in managing natural resources under their stewardship.

The operating needs of the refuge system have been treated as a higher priority by the Administration and by the Congress because there was a national consensus that the refuge system was broken and needed fixing. Both the Administration and the Congress recognized this by working together to pass the National Wildlife Refuge System Improvement Act of 1997 and to secure additional operations and maintenance funding. This priority is also reflected in the fiscal year 1999 President's budget request.

Question. We understand that the most recent estimate of the hatchery maintenance backlog is $151 million, and that hatcheries as a whole are in far worse shape physically than refuges. Why then is the Fish and Wildlife Service claiming that the hatchery maintenance backlog is only $115 million, and more important, why isn't the FWS requesting increases for critical hatchery maintenance rather than refuge maintenance that isn't in as bad shape?

Answer. As discussed previously, the National Wildlife Refuge system received substantial increases for its operational and maintenance needs in fiscal year 1998 because there was a national consensus that the refuge system was broken and needed fixing. Both the Administration and the Congress recognized this by working together to pass the National Wildlife Refuge System Improvement Act of 1997 and to secure additional operations and maintenance funding. This priority is also reflected in the fiscal year 1999 President's budget request.

Both the refuge system and the hatchery system—as well as the Park system and the public lands—face maintenance backlogs beyond current funding levels. However, the Department is not engaged in a "dueling" match among the various backlog needs. As in any budget, priorities are set within the Administration. For fiscal year 1998 and fiscal year 1999, the Department has considered the needs of the refuge system as a priority.

For fisheries programs, the Department has focused on habitat restoration and on-the-ground activities as a priority, which are not funded through the hatchery system.

The President's Budget was submitted to the Congress in February 1998, and at that point in time the estimated hatchery backlog was $115 million. In the months following the release of the President's Budget, and as part of the follow-on effort to formulate the fiscal year 2000 budget and five-year plan Departmentwide, the hatchery system has estimated a new backlog inventory of $151 million. The other programs in the Department have also reestimated their identified backlogs during this time frame.

The President's Budget includes $7.4 million for hatchery maintenance, an increase of $500,000 over the fiscal year 1998 enacted level.

Question. We understand that refuges received $10 million in additional maintenance appropriations under Title V in fiscal year 1998, while hatcheries received no additional maintenance funding. Given that the current hatchery maintenance backlog exceeds $150 million and involves more than 1,700 projects, why didn't hatcheries receive some of the $10 million available under Title V?

Answer. Faced with burgeoning backlogs in all three land management agencies, the Department prioritized bureau critical health and safety projects as priorities for the fiscal year 1999 budget and the use of the fiscal year 1998 Title V Funding. The Department's limited construction, maintenance and Title V funding was targeted to this inventory. This combination of 1999 construction and maintenance funding and 1998 Title V funding will eliminate 98 percent of the inventory of FWS critical health and safety projects.

The Department decided to focus on critical health and safety projects first to ensure safe visits for the visitors to the national parks, refuges, fish hatcheries, and public lands, and to make sure that the 45,000 Department employees who daily work at BLM, FWS, and NPS facilities have safe working environments.

For the hatchery program, the $7.4 million requested for hatchery maintenance will fund all critical health and safety maintenance projects and the first increment of natural resource projects. The $7.7 million requested for hatchery rehabilitation and construction will fund the three critical health and safety projects that require construction funding as well as natural resource projects. Combined, these requests address the critical health and safety projects at hatchery facilities that had been identified in the most recent listing of MMS projects.

For the refuge system, the $46.6 million requested for refuge maintenance will fund all critical health and safety maintenance projects as well as the first increment of natural resource projects. The $10 million in Title V funding and the $12.5 million for refuge construction projects will fund all but two construction projects identified in the backlog of critical health and safety projects.

The Department plans to aggressively address the remaining backlogs in the FWS and the rest of the Department through a five-year plan which will be first addressed in the fiscal year 2000 budget. The three land management bureaus are currently working closely with the Department on this process.

Question. President Clinton's Executive Order on Recreational Fisheries challenges all Federal agencies to do more to conserve and restore fishery habitat and promote recreational fisheries. How can the Fish and Wildlife Service meet this challenge when its Fisheries Program continues to have a much smaller budget than the Refuges and Ecological Services Programs, whose budgets have increased dramatically in recent years?

Answer. Every year the Department has to prioritize its limited funding to meet national level policy goals. For the FWS, these priorities have been, and will more than likely continue to be, centered on the effective and efficient implementation of the Endangered Species Act. That said, over the last five years, the Department has implemented three large scale watershed restoration efforts using new methods,

partnerships, and renewed public participation which directly restore fisheries habitat and promote recreational fisheries.

The 1999 budget continues implementation of the California-Bay Delta Ecosystem Restoration program—which directly benefits anadromous fisheries resources—with a request of $143.3 million, an increase of $58.3 million over the 1998 enacted level. Central to this effort is significant funding for fish screen improvements ($19 million); improved instream flows ($20 million); and fish passage improvements ($3 million) and fisheries hatchery support $3 million); as well as significant funding of river channel changes ($58 million) and habitat restoration ($27 million).

The Everglades watershed restoration effort continues in 1999 with a request of $144 million to reverse manmade changes to waterflows which have had deleterious effects on native flora and fauna and fisheries resources. And, the Department continues to support the President's Forest Plan with a request of $68 million to allow for sustainable timber production on Federal lands while fully protecting and restoring critical wildlife and fisheries resources. In fact, much of the focus on the Forest Plan has shifted to aquatic conservation efforts for anadromous fisheries, and the BLM Jobs in the Woods program is being directed at coastal coho habitat projects.

Within the FWS budget, the fisheries program has a smaller budget than the Refuges and Ecological programs because it is less costly to conduct. The National Wildlife Refuge system manages over 93 million acres on 514 refuges, 38 wetland management districts, and 50 coordination areas; as discussed previously, recreational programs on the refuge system have been targeted for increased funding. The Fisheries program, by contrast, manages a system of 65 National Fish Hatcheries, 64 Fish and Wildlife Assistance Offices, 9 Fish Health Centers, and 6 Fish Technology Centers, with much less land and property. Ecological Service requires much higher staffing levels, with the correspondingly higher personnel costs, particularly in the Endangered Species and Habitat Conservation programs.

Several FWS programs contribute to the Executive Order on Recreational Fisheries. Since 1994, the FWS Fisheries program has redirected nearly $6 million toward its highest priority programs, many of which support recreational fisheries. These funds were made available by transferring several National Fish Hatcheries to States, recovering mitigation costs from project beneficiaries where feasible, completing portions of major programs such as restoration of Atlantic coast striped bass, and internal management decisions. The funds are being used to improve restoration and recovery programs for recreational salmon, migratory striped bass other than the Atlantic coast population, lake trout, and shad, and mitigation programs using inland trout.

Some of the fiscal year 1998 budget increases that were appropriated to the Refuges and Wildlife program and to the Ecological FWS program support recreational fisheries. Approximately $1 million of the Refuges and Wildlife increase and $540,000 in Refuge MMS projects contribute to improving recreational fishing on refuges. The increase of $750,000 for Ecological Services to improve passage of fish beyond FERC licensed dams will increase both the number and range of fish available to recreational anglers.

In 1999, among other increases in the fisheries program, an additional $900,000 is requested to improve fish passage in high migratory corridors for important recreational species including shad and stripped bass; an additional $900,000 will support additional FERC relicensing; an additional $500,000 will support native trout reintroduction efforts; an additional $700,000 will support fisheries reintroductions in the Southwest; an additional $200,000 will support the Wild Fish Health Survey; and an additional $1.0 million will support increased aquatic nuisance species control efforts to in part protect recreational fisheries values. In addition, the FWS will participate in the Administration's Clean Water and Watershed Restoration Initiative with an increase of $5.5 million to restore riparian habitat through the Partners for Fish and Wildlife Program and the North American Wetlands Conservation Fund.

Question. On the basis of the budget increases requested for the Refuges and Endangered Species Programs in the Fish and Wildlife Service budget for fiscal year 1999, what reason would Americans have for believing the FWS is prepared to put "the fish" back into the Fish and Wildlife Service?

Answer. The Department would argue that not only has this Administration put the "fish" back into the Fish and Wildlife Service, the Administration has revolutionized the stewardship of aquatic landscapes: the rivers, lakes and wetlands that link and nourish the watersheds we inhabit.

As discussed above, the Department's first priority was to restore the Everglades ecosystem by reconnecting the hydrologic arteries by bringing all the Federal agencies together behind a common restoration plan. This effort continues today.

The watershed restoration of California joined together state agencies, irrigation districts, farmers, environmentalists, and fishermen to negotiate a restoration framework—known as the Bay Delta Accord. Coordinating efforts, the legislature in Sacramento placed a restoration bond issue—almost one billion dollars—on the ballot in 1996. Armed with such strong public support, the Department went to the Congress which in 1997 provided matching funds. The result was, again, a massive restoration program to bring California rivers and wetlands back to life by dedicating water to restore and maintain stream flows, re-watering wildlife refuges, moving levees back so that rivers can flow free across their natural floodplain, and screening irrigation canals to protect migrating fish.

In the Pacific Northwest the Department has aggressively participated in the President's Forest Plan to replenish trout, coho, chinook and sockeye salmon by looking past the water's edge to create large connective forested buffers along banks of streams and tributaries in 14 million acres. The Department is also negotiating large scale multi-species Habitat Conservation Plans with nonfederal landowners towards the same purpose.

In the Sierra, Rockies, and Appalachians the Department is replenishing native aquatic species in a quarter of a million miles of streams by matching federal funds and land management experts with local private and nonprofit projects to restore the damaged mountains which bleed into them.

On western rangelands, the Department is working to bring back rare native trout in cooperative range partnerships to modify livestock grazing rotations, build riparian fences, and replant willows and aspen.

The Department has also evaluated the systemic costs of building more than 75,000 dams in this country in this century alone with the concurrent destruction of salmon runs in New England and the West and the crashing shad and herring runs of the Susquehanna, for example. For these reasons it is appropriate to think of dams as having a ledger with both benefits and environmental costs. And as part of watershed restoration efforts it is always appropriate to ask whether a given dam can be operated in a more river friendly mode.

The Grand Canyon is one place where we have asked that question and answered in the affirmative. The Bureau of Reclamation opened the gates and sent a huge surge of water, an artificial flood, crashing down through the Colorado River. The idea behind that was to mimic the natural spring flooding of the pre-dam river so as to stir sediment up and rebuild eroded beach habitat downstream in the Grand Canyon.

In 1992 Congress authorized a study of the removal of two small 70-year-old dams at the mouth of the Elwha River. These dams blocked salmon runs of 300,000 from spawning up 70 miles into the heart of Olympic National Park. The Park Service, after careful study, has concluded that, forgoing a small amount of energy in an area where electric power is now in surplus, would be a small price to pay for restoring one of the great wild salmon runs.

And, the Department has moved to engage the hydro-power industry in developing fish passage solutions through the FERC relicensing process and the implementation of on-the-ground fish passage projects.

The Department has requested increases for all of these programs in the fiscal year 1999 budget or held funding constant from 1998, and stands by its demonstrated commitment to the American public to protect and restore the nation's fisheries resources.

Question. We understand the Fish and Wildlife Service is undertaking a critical "Three A's" evaluation of its hatcheries to more accurately document their operating needs, which preliminary estimates place as high as $50 million. Given the magnitude of those needs and the questions surrounding hatcheries, why hasn't the FWS requested more funds in fiscal year 1999 to ensure its hatchery programs are based on the best possible science available?

Answer. The FWS has initiated a "Three A's" evaluation (alignment, appropriate, adequate) of all production programs in the National Fish Hatchery (NFH) System. The evaluation will be used in ensuring that production programs conducted by the FWS are aligned with one or more of the Fisheries program priorities; are appropriate for meeting the desired fishery management objective; and are supported by adequate facilities, equipment, and personnel.

The "Three A's" evaluation program will assess if each production program has been preceded by analyses indicating whether it is the appropriate management tool for achieving the stated fishery management objective. A key element of the assessment will determine whether a program will cause unwanted ecological harm. It will also assess if production programs have adequate support in planning, implementation, and evaluation for the present and the future. By the end of fiscal year 1998 production programs at all 65 facilities will be aligned with the FWS Fisheries

Program Priorities and all production programs initially will have been evaluated for appropriateness and adequacy.

The results of the "Three A's" evaluation will be integrated into the existing Fisheries Information System (FIS) during fiscal year 1999 to enhance and complement ongoing efforts to ensure that the NFH System fulfills federal fishery responsibilities. Completion of the 3A's process in fiscal year 1999 will provide the FWS with the tools and capabilities to identify potential budget needs for the NFH System in a more reliable manner.

Question. What involvement does Fish Hatcheries have in the restoration and recovery of imperiled sea-run fish species, most notably Atlantic and Pacific salmon and several sturgeon species?

Answer. The National Fish Hatchery system contributes to the restoration and recovery of at least 12 imperiled anadromous species (3 endangered, 3 threatened, 2 proposed, 4 state-protected). For some of these species, such as the endangered shortnose sturgeon and threatened Gulf sturgeon, fish hatcheries and technology centers are developing techniques for holding and spawning. These hatchery tools are being developed for use in conjunction with habitat restoration to recover listed populations. Hatcheries are also producing several listed anadromous species for release into the wild, as called for in recovery plans, including the Snake River and Sacramento River strains of sockeye salmon.

Restoring imperiled populations of anadromous fish not yet listed under the Endangered Species Act is critical to precluding further listings and is an important aspect of the FWS's Fisheries Program. The FWS works closely with the states, tribal governments, and other federal agencies to evaluate and restore habitat, and to produce captively propagated fish to assist in restoring wild populations and prevent these species from being listed. Atlantic salmon restoration in New England and chum salmon restoration in the Pacific Northwest are examples of this effort. Other imperiled species, such as the Atlantic sturgeon, have been produced by FWS hatcheries for experimental release into the wild in cooperation with the States of Maryland and New York.

Question. What is the FWS doing to recover sturgeon? Is there cost sharing with the Endangered Species Program for these activities? How much of the increase received in fiscal year 1998 for listing and recovery under the ESA has been used specifically to support involvement of the Fisheries Program in these activities? Will this situation continue in fiscal year 1999?

Answer. The Fisheries Program is working on projects to benefit sturgeon populations in the Pacific Northwest, the Mississippi and Missouri River basins, the Gulf of Mexico, and Atlantic coast. There is no need for cost sharing between the FWS's Fisheries and Endangered Species Programs for sturgeon recovery. The sturgeon programs are funded at an adequate level within the Fisheries program appropriations.

FWS Fishery Resources Offices work with state, tribal, and other federal agencies on coordinated recovery actions and management plans for the recovery and restoration of 8 of the 10 North American sturgeon species and sub-species. FWS fishery biologists assess fish passage and habitat needs of imperiled and listed sturgeon species, monitor population size and distribution, and identify stocks and critical spawning and feeding habitat.

The National Fish Hatchery System is working with 3 of the 5 species of sturgeon listed under the ESA (the pallid, the shortnose, and the Gulf sturgeon), developing captive propagation and holding techniques as specified in approved recovery plans. In fiscal year 1998, the Gavins Point National Fish Hatchery in South Dakota will introduce captively-reared pallid sturgeon into restored habitat in the Missouri River in Montana, representing an important step in the recovery of this species. The FWS's Warm Springs Fish Technology Center in Georgia has made similar progress in developing captive propagation techniques for the shortnose and gulf sturgeon, and stands ready, along with the Bears Bluff National Fish Hatchery in South Carolina, to produce these species when habitat conditions become favorable. Several fish hatcheries are also working with four non-listed sturgeon, to help preclude further ESA listings. The FWS has also worked with the states of Maryland and New York in an experimental program to release FWS-produced Atlantic sturgeon, an imperiled species, into the wild.

The FWS is also participating in international efforts to protect wild populations of sturgeon. The FWS's Division of Law Enforcement monitors shipments of caviar to ensure that they are accompanied by valid import and export permits as issued under the rules of the Convention on the International Trade of Endangered Species (CITES). The type of caviar in the shipment must be from the same species listed on the permit. If not, it can be seized. The FWS's Forensics Laboratory is also participating in this effort, and has developed a method of DNA analysis which can be

used to identify the species of sturgeon which produced the caviar being shipped. The FWS plans to share the DNA analysis techniques to other countries to assist them in their efforts to recover declining sturgeon populations.

Question. What is the FWS doing to restore other coastal fisheries and which of those actions are unique to the Fish and Wildlife Service?

Answer. The FWS Fishery Program has responsibility for management of interjurisdictional migratory species such as American shad, herring species, Atlantic salmon, Pacific salmon, and striped bass. Legislation such as the Atlantic Striped Bass, Anadromous Fish Conservation, Great Lakes Fish and Wildlife Restoration, Chehalis River Basin, Water Resources Development, and Atlantic Coastal Fisheries Cooperative Management Acts direct the FWS to protect, conserve, and enhance coastal fisheries, including habitat. The Fisheries program assesses fish populations, evaluates and identifies quantity and quality of critical habitats for different life stages of our trust species, develops techniques to propagate imperiled species, and propagates fish for stock supplementation and evaluation of wild fish stocks.

The FWS plays a variety of roles critical to the restoration of fisheries, often working in coordination with other fisheries entities and strengthening overall efforts on common goals of protecting, enhancing, and restoring our nation's fishery resources. Aspects which set the FWS apart from other agencies include:

(1) A fiscal year 1999 proposed fish passage initiative of $0.9 million which benefits priority coastal species by opening access and improving spawning and nursery habitats for anadromous species;

(2) Mass marking of salmon and other species where data obtained from these Cooperative Tagging and Regional Mark Center programs is used to determine status of important economic fisheries on both the eastern and western coasts;

(3) Genetic evaluations performed on hatchery fish help ensure that wild stock recovery is supported;

(4) The National Fish Hatchery facilities produce fish for recovery of listed stocks and restoration of depleted interjurisdictional fisheries;

(5) Administration of the Lower Snake River Compensation Plan and its associated hatcheries;

(6) The Fisheries and Ecological Services programs provide a unique expertise in assessing the impacts of land use activities on aquatic health, within the watershed recovery framework. For example, the FWS has employees devoted full time as river coordinators who often act as catalysts to bring multi-user groups together to achieve common goals; and

(7) FWS employees are instrumental in writing Atlantic State Marine Fisheries Commission plans where they provide anadromous fisheries leadership regarding management and habitat.

Question. There is a name change in the Partners for Fish and Wildlife Program (formerly Partners for Wildlife). Does this mean we can expect more fisheries related projects? Will this program now include some fisheries oversight?

Answer. The name change does not change the basic program tenets, priorities, or direction, but rather reflects an enhanced relationship between the Partners for Fish and Wildlife Program and the Fisheries Program in aquatic restoration. It is intended to better reflect the program's accomplishments in the fisheries and aquatic resources arena and to emphasize the FWS watershed/ecosystem approach to restoration. Fisheries and aquatic habitat restoration projects have been and will continue to be an important part of the Partners for Fish and Wildlife program. The FWS intends to increase the involvement of the Fisheries Program biologists and hydrogeomorphologists to expand instream habitat restoration capabilities and efforts. Improved coordination and technical information exchange in the field will result in additional opportunities and partnerships to restore aquatic habitats beneficial to Federal trust fishery resources.

EXECUTIVE ORDER ON RECREATIONAL FISHERIES

Question. What was the outcome of the fiscal year 1997 stakeholder meetings?

Answer. At the Stakeholder Meetings held across the country in 1996–1997, about 100 Fish and Wildlife Service employees met with more than 430 non-FWS fishery stakeholders. Non-FWS attendees included nearly 140 State representatives (including many heads of State fishery agencies), more than 90 conservation group representatives, more than 40 business people, about 30 representatives each from Tribes and other Federal agencies, and several members of the media. The purposes of the Stakeholder Meetings were to define the FWS roles and responsibilities for fishery resources; to establish priorities for the FWS Fisheries Program; to set goals and objectives in FWS Regions; and to develop cooperative approaches to accomplishing these goals.

Based on information from the stakeholder meetings and considering authorizing legislation, the FWS identified seven roles and responsibilities for fishery resources.

FWS roles and responsibilities for fishery resources:

—Restoring depleted nationally significant fishery resources;
—Fulfilling mitigation obligations;
—Managing and helping manage fishery resources on FWS and Tribal lands;
—Providing technical support and research;
—Continuing to administer the Federal Aid in Sport Fisheries Restoration program;
—Providing aquatic education and outreach; and
—Enforcing Federal fishery laws.

Within the seven roles and responsibilities, the FWS identified six priorities for the Fisheries Program:

Priorities for the Fish and Wildlife FWS Fisheries Program:

—Recovery of listed and candidate aquatic species;
—Restoration of interjurisdictional fisheries and aquatic ecosystems;
—Management of interjurisdictional fisheries;
—Fulfilling mitigation obligations;
—Restoring depleted aquatic populations to preclude listing; and
—Providing fish and wildlife management assistance to Tribes and on Fish and Wildlife Service lands.

The relative importance of the six priorities in different parts of the country was considered in setting goals and objectives in each FWS Region.

Question. Has the FWS implemented any of the stakeholders priorities?

Answer. The FWS considered the Roles and Responsibilities for Fishery Resources and the Fisheries Priorities in developing the President's fiscal year 1999 budget request. Based on this input, the FWS has requested an additional $500,000 to improve critical health, safety, natural resource, and cultural resource protection projects throughout its National Fish Hatchery System; an additional $900,000 to improve the passage of salmon, trout, shad, and herring beyond dams and other barriers to migration; an additional $500,000 to restore and enhance declining populations of native trout; an additional $200,000 to identify threats to the health of valuable wild fish stocks; and an additional $700,000 to protect fish and their habitats in the Southwest.

Question. How do the current fishery Roundtable Meetings differ from the stakeholder meetings that were held last year?

Answer. The Stakeholder Meetings held in 1996–1997 were the beginning of sustained communications with recreational fisheries stakeholders. The Stakeholder Meetings were hosted by the Fish and Wildlife Service and organized by FWS Region. The purposes of the Stakeholder Meetings were to define the FWS roles and responsibilities for fishery resources; to establish priorities for the FWS Fisheries Program; to set goals and objectives in FWS Regions; and to develop cooperative approaches to accomplishing these goals.

The Recreational Fishery Roundtable Meetings build on the Stakeholder Meetings by developing cooperative approaches to accomplishing the goals established in 1996–1997. The Roundtables are hosted cooperatively by States and Federal agency members of the National Recreational Fisheries Coordination Council established under Executive Order 12962:

Recreational Fisheries. The Roundtables are organized by State or watershed. The purpose of the Roundtables is to improve recreational fishery resources on the ground through identification and commitment of resources for specific projects. To achieve near-term results, participants are asked to use managerial latitude to redirect existing capabilities to cooperative projects and to provide a focal point for partners (e.g., local groups with challenge grant money) looking to commit existing funds. A secondary mechanism is aimed at mid-term results: identify opportunities that require changes to policies or additional resources.

ENDANGERED SPECIES

Question. Why the need for more money in Habitat Conservation Planning? Does Habitat and Conservation Planning contribute to the recovery of or the long term conservation of species? Can you provide some examples?

Answer. The Habitat Conservation Planning (HCP) program has grown rapidly in recent years. During 1983–1992, only 14 incidental take permits were issued under the Endangered Species Act (ESA). Over the past five years, 216 incidental take permits had been issued. By the end of 1998, HCPs are projected to cover some 7.3 million acres. The FWS anticipates more than 400 new and ongoing HCP consultations by the end of fiscal year 1999, covering some 9.2 million acres.. In just a few

years, the HCP process has been transformed to one of the most important and innovative conservation programs under ESA. Additionally, HCP development has become a collaborative process between applicants and the agency with the FWS providing technical assistance to the applicants. Funding is critically required to meet this explosive growth in demand from private landowners.

An HCP may contribute to species recovery by providing conservation measures for unlisted species that would otherwise not be protected. The FWS reviews an incidental take permit application and the associated HCP to determine if the taking will not appreciably reduce the likelihood of survival and recovery of the species in the wild. Thus, recovery is often an integral product of an HCP but it is not an explicit statutory requirement.

Desert Tortoise HCPs, for example, use the guidelines in the recovery plan to direct mitigation of recovery tasks such as habitat acquisition and habitat management/enhancement. Also, large scale HCPs under California's Natural Community Conservation Planning program collectively cover virtually the entire range of the coastal California gnatcatcher and provide recovery actions for that species. Additionally, red-cockaded woodpecker safe harbor agreements provide incentives to maintain and enhance its populations which augment recovery efforts, particularly those populations on federal lands.

Question. What is the Department/FWS doing to respond to the need to expedite consultation in areas like the Southwest where potential conflicts may impact timber and grazing interests?

Answer. The FWS has done, and is undertaking, many actions to expedite consultations that may impact resource uses, like timber harvesting and grazing, while ensuring that threatened and endangered species are not jeopardized. In the Southwest, for example, the FWS recognized that a backlog of consultations in one of the field offices that were not being processed in a timely manner because of the sheer workload and insufficient personnel. The FWS formed a team of consultation experts drawn from offices throughout the nation to eliminate most of the backlog in six weeks. Consequently, in fiscal year 1998, the Director provided additional endangered species funding so that field offices could hire needed consultation biologists.

The Department has also recognized the critical need for timely resolution of many issues surrounding resource use and conservation in the Southwest. The President's fiscal year 1999 budget includes a $3 million increase for the endangered species programs in the Southwest to increase the FWS capacity to work with other agencies to solve consultation issues and to conserve species before they decline to the point of needing the Endangered Species Act's protection. The increased funding will hasten the recovery of listed species and remove the need for federal agencies to consult on projects they permit, fund, or carry out.

In October 1997, Secretaries Babbitt and Glickman, and Under-Secretary Underwood, initiated the Southwest Strategy. The purpose of this strategy is to first, bring all federal agencies together to craft a better way of doing business when dealing with natural resource issues in the Southwest; and second, to bring all willing nonfederal partners into the process. The federal agencies involved in the Southwest Strategy have completed assigning priorities to Section 7 consultations to ensure the most critical consultations get completed first. They have developed methods for streamlining the consultation process in the near term and they are now developing methods for long-term efficiencies among agencies in the consultation process.

A strategy has been developed by the Forest Service and the FWS for handling two pending lawsuits involving compliance with the Endangered Species Act and grazing in the southwest. Under the strategy, a team of species experts, other biologists, and at least one range specialist has been assembled to conduct the Section 7 consultations that will cover the allotments currently in litigation. This team is working to streamline the consultation process on these allotments.

Question. How many habitat conservation plans exist, and how many more does the FWS anticipate in the next year?

Answer. As of January 30, 1998, there were 230 approved HCP permits. The FWS anticipates there will be more than 400 new and ongoing HCP consultations by the end of fiscal year 1999, and has requested a corresponding budget increase to meet the needs of these nonfederal landowners.

Question. How does habitat acquisition under Section 6 fit with carrying out Habitat Conservation Plans?

Answer. The Section 6 HCP land acquisition program is a cornerstone of carrying out Habitat Conservation Plans. Under the Land Acquisition Program, the FWS provides grants to states or territories for land acquisitions to implement HCPs. States and territories are in a unique position to support HCPs because of their authorities and close working relationships with local governments and landowners. The FWS considers state land acquisition for habitat protection within and adjacent

to HCP areas to be an important and effective mechanism to promote the recovery of threatened and endangered species.

These land acquisitions and exchanges complement, not supplant, private and/or local governmental responsibilities required for mitigation related to implementing HCPs. This support ensures that urban development and other economic activities can continue while providing adequate conservation measures for listed species. The FWS works closely with local government and other groups to establish HCPs to protect species and, at the same time, allow development activities to continue.

A number of ongoing HCP efforts such as the Natural Communities Conservation Plan (NCCP) in Southern California, the Balcones Conservation Initiative in Texas, and the Brevard County Scrub Jay Initiative in Florida have validated the pilot $6.0 million HCP land acquisition grants-to-states concept. These locally-driven initiatives have identified land acquisition priorities that will support overall conservation strategies. The 1999 President's Budget includes a requested increase of $3.0 million—or 50 percent—for this growing program.

One of the advantages of the "no surprises" coordination with the public is that it's supposed to decrease or avoid the need for listing species.

Question. If monitoring shows species are still in decline with the no surprises policy, what measures will the FWS take?

Answer. The FWS intended the No Surprises rule to provide regulatory assurances to private landowners with approved HCPs. Under the No Surprises rule, the Federal Government will not require the commitment of additional land, water, or financial compensation or other restrictions on the use of land, water, or other natural resources otherwise available for development or use under the original terms of a properly implemented HCP without the consent of the permittee.

The FWS allows unlisted species that are adequately addressed in an HCP to be listed on a permit with a delayed effective date tied to the date of any future listing. Unlisted species include candidate, proposed, and any other species mutually agreed to by the applicant and FWS. The FWS recognizes that the primary jurisdiction over candidate and unlisted species generally rests with the state fish and wildlife agencies, thereby prompting the need for close coordination and active cooperation with state agencies in the HCP process. While unlisted species can benefit by being covered in HCPs, their inclusion does not necessarily mean that they may not be listed in the future if scientific information indicates that listing is warranted.

Within a species range, a number of HCPs may cover a species. In addition, each individual HCP will vary in its scope and minimization/mitigation measures. An HCP may also incorporate measures that in the event of changed circumstances, such as species decline, may adjust the mitigation strategy to preclude jeopardizing that species. If such circumstances were not addressed within an approved HCP, the permittee may voluntarily implement measures to reduce the species decline. If a species continues to decline, the FWS may utilize a number of tools for the conservation and recovery of species in decline, including land acquisition, cooperative efforts with other federal, state, and local agencies, tribal governments, conservation groups, and private entities, and other conservation efforts within the scope of the Department of the Interior's authorities.

Question. How does the pilot Safe Harbor Landowner Incentive Program achieve resource conservation?

Answer. The FWS proposes a pilot grant program, the Safe Harbor Landowner Incentive Program, to foster private landowner recovery efforts for listed species by implementing the Safe Harbor policy. The Department has requested $5.0 million for 1999 for this program. Safe Harbor agreements are voluntary agreements between the FWS and nonfederal property owners designed to encourage landowners to restore, enhance, manage, or improve habitat for listed species on their property. The Safe Harbor concept, along with this grant program request, responds to the needs of private landowners who are managing their lands in an environmentally friendly manner. It aims to alleviate their concerns about the potential of future land, water, or resource-use restrictions that may result because of their proactive initiatives.

Currently, nonfederal landowners participating in Safe Harbor agreements receive no incentives other than the assurances provided that their regulatory burden will not increase through managing their property for the benefit of endangered species. In order to fully implement the Safe Harbor policy and increase property-owner participation, the FWS proposes to assist nonfederal landowners through the Safe Harbor Landowner Incentive Program. This program will provide funding to landowners with critical land holdings to conserve important habitat for endangered species.

These agreements will contribute significantly toward the recovery of some listed species, especially when it is considered that more than half of the species listed have 80 percent of their habitat on nonfederal lands. For example, the Southeastern

Atlantic coastal plain was once dominated by vast forests of longleaf pine. Only 10 percent of these forests now remain. Many of the species that once were abundant in such habitats are now endangered or threatened, including the red-cockaded woodpecker, the St. Francis satyr butterfly, the gopher tortoise, and American chaffseed. The Safe Harbor agreements and the grants will be incentives to maintain the longleaf forests by providing resources for the controlled burning, and other on-the-ground actions that are essential for the preservation of this ecosystem.

This program will be significant to the recovery of many species. It will help facilitate and foster partnerships between the FWS and nonfederal entities in recovering listed species, as well as providing benefits for proposed, candidates, and unlisted species that share the same habitat. The Administration's success with such creative tools as Safe Harbor agreements have renewed cooperation among private landowners in aiding threatened and endangered species.

Question. For every dollar spent in Candidate Conservation planning, how much is saved in the listing and recovery programs?

Answer. While such a broad question cannot be answered specifically because the complexity of conservation varies among species, the Department is confident that candidate conservation can be less costly and more effective than listing and recovery, especially when costs to landowners are considered. For example, the conservation of mammals may differ in complexity from that of plants. Furthermore, conservation of a mammal with a small range may differ from that of a mammal with a large range. Conservation of a wide-ranging species occurring on private land, federal land, and tribal land across several states would be much more expensive than would conservation of a rather isolated species occurring only on federal land in a single state.

Certain general conclusions, however, can be drawn regarding the costs of conservation of a candidate species compared to the costs of listing and recovery of that same species. The earlier species conservation begins, the more efficient and effective it will be. Early conservation maintains land use and development flexibility for landowners and preserves conservation options for the FWS. Many of the costs and regulatory restrictions associated with listing can be avoided including: the administrative costs of listing; the costs of law enforcement; the costs to landowners resulting from restricted land use; and the costs to landowners and resource users for compliance with Sections 7, 9, and 10 of the Endangered Species Act.

The early establishment of partnerships for conservation of candidate species puts in place a network of willing partners to address any future conservation needs of the species. States and private landowners support the candidate conservation program because it gives them opportunities to maintain current land uses and to employ innovative approaches to species conservation without the burden of regulatory restrictions. By addressing the needs of species early, before a species and its habitat are critically imperiled, potential conflicts associated with listing may be avoided.

Question. Will litigation cause the Department to change the current approach of using Candidate Conservation agreements as a tool to avoid listings under the Endangered Species Act?

Answer. No, litigation will not cause the Department to change the current approach of using candidate conservation agreements to preclude the need to list the species. The Fish and Wildlife Service will continue to use candidate conservation agreements as a proactive conservation measure where appropriate. Candidate conservation guidance is under development that will clarify the steps necessary to successfully participate in conservation partnerships and to complete candidate conservation agreements that most efficiently and effectively reduce or eliminate threats and preclude the need to list.

The Department is concerned about the court ruling in the Barton Springs salamander case that the conservation agreement among the FWS and conservation agencies in the State of Texas (which would have conserved the salamander without Federal listing) was not adequate because it had not been proven successful for a period of two years. The Department does not agree with the court's order, because an arbitrary period of two years is not necessary to prove that a candidate conservation agreement is or will be successful in meeting its goals. The process of reducing or removing threats to a species is typically a gradual process; however, each candidate conservation agreement varies depending on the complexity of the species. The FWS relies on the best available scientific and commercial data to determine if a candidate conservation agreement is adequate and if it will reduce or eliminate threats to an imperiled species. The FWS subjects all candidate conservation agreements to public review and solicits comments regarding the document. Finally, the FWS typically examines candidate conservation agreements to ensure that the sig-

natory parties have the authority and funding to fulfill the commitment of the agreement.

Question. Over the years, how many species have been delisted? Is our endangered species program working?

Answer. Yes. The ultimate goal of threatened and endangered species conservation is to recover listed species to levels where protection under the Endangered Species Act is no longer required and they can be removed from the list. Since 1973, 27 species have been delisted or removed from the lists of threatened and endangered species. In addition, the FWS has a "waiting list" of approximately 40 species that are recovered or whose status has improved and are awaiting reclassification and delisting actions.

On May 6, 1998, the Secretary proposed that 29 of these species (or segments of these species) be proposed to be removed or downgraded from the Endangered Species list over the next two years.

Animals/Birds: American Peregrine falcon (North America); Bald Eagle (48 coterminous states); Aleutian Canada goose (Alaska, Washington, Oregon, California, Canada); Columbia white-tailed deer (Washington, Oregon); Tinian monarch (Northern Marianas Islands); Guam broadbill (Guam); Mariana mallard (Northern Mariana Islands); Hawaiian hawk (Hawaii); Brown pelican (Texas, Louisiana, Mississippi, Alabama, Florida); Gray timber wolf (Minnesota, Michigan, Wisconsin); Dismal Swamp Southeastern shrew (Virginia, North Carolina); Ash Meadows Amargosa pupfish (Nevada); Tidewater goby (California); Oahu tree snails (Hawaii); Pahrump poolfish (Nevada); Virginia Northern flying squirrel (Virginia, West Virginia); and Island night lizard (California).

Plants: Hoover's wooly-star (California); Truckee barberry (California); Three Ash Meadows plant (Nevada); Eureka Valley plants (2) (California); Chamaesyce skottsbergii (variation kalaeloana) (Hawaii); Loch Lomond coyote-thistle (California); Lloyd's hedgehog cactus (New Mexico, Texas); Running buffalo clover (Indiana, Kansas, Kentucky, Missouri, Ohio, West Virginia); Virginia roundleaf birch (Virginia); Robbin's cinquefoil (New Hampshire, Vermont); Heliotrope milk-vetch (Utah); and Missouri bladder-pod (Missouri).

Since fiscal year 1996, the FWS has prioritized its resources so that the majority of the listing resources goes towards finalizing proposals to list species and more recently, resolving the conservation status of candidates and processing petition findings, because such actions provide the most conservation benefit. Delisting is a Tier 4 activity and the lowest priority under the current Listing Priority Guidance issued in fiscal year 1997. The FWS acknowledges the conservation benefit of delisting actions (this includes reclassifications from endangered to threatened status) and has moved delisting and reclassification actions into Tier 2 under the fiscal year 1998/1999 Listing Priority Guidance. The FWS anticipates publishing seven delisting or reclassification proposals in fiscal year 1998 and 20 delisting/reclassification proposals in fiscal year 1999. In fiscal year 1999, the FWS anticipates finalizing five delisting actions. These species are indicated above.

The endangered species program is working. In fiscal year 1997, 156 final determinations were published and 23 new listing proposals were published. The backlog of proposals was reduced from 243 to 100 species, including the 23 new proposals. The listing process has been slowed by numerous litigation cases resulting from missed statutory deadlines and takes precious resources away from the task of returning to a balanced listing program. It is important to note that delisting statistics do not necessarily indicate the recovery of listed species and should not be used as a yard stick to measure the success of the endangered species program. The recovery program estimates that 36 percent of listed species were improving and/or stable in fiscal year 1997, and 44 percent will be improving and/or stable in fiscal year 1998.

MULTINATIONAL SPECIES CONSERVATION RHINO-TIGER FUND

The Committee understands that the Rhino-Tiger Conservation Act was expanded to include Tigers at the Secretary's personal request.

Question. Do you consider the current level of funding adequate to meet the demands for worthy tiger and rhinoceros conservation projects?

Answer. Yes. The fiscal year 1999 request of $400,000 for tiger and rhinoceros projects is sufficient to make a real and effective difference for conservation of these species, especially because of the favorable financial exchange rate and the low costs of operations in the foreign countries. While there will always be more project proposals submitted than can be funded in any given year (as in most other FWS programs), the President's Budget request of $400,000 will allow the highest priority projects to be implemented.

Sixty eight proposals were received for consideration during the 1996–1997 grant cycle; and 80 proposals have been received in the 1998 grant cycle. Grant awards have been limited to an average of $20,000 to maximize the number of suitable projects. Of 148 proposals received, 32 have been funded thus far in 10 African and Asian countries, at a cost of $613,962. Another 40 grant applicants have been provided suggestions about how their proposals can be modified so that they might meet the criteria for approval. Remaining balances will fund half of these pending proposals for priority conservation actions. The FWS expects to receive 80 or more new proposals during the 1999 grant cycle.

Question. There is a disparity between the request for rhinos and tigers and the request for Asian and African elephants. Do you feel there should be greater parity among the funds?

Answer. There is a great need for the funding levels requested in the President's fiscal year 1999 budget for all three programs. The programs are managed to ensure that the projects complement each other. There are 14 Asian countries with tigers, 9 Asian countries with rhinos (which coincide with the tiger range countries) and 11 African countries with rhinos. The African Elephant Conservation Projects, for example, frequently provide significant secondary benefits to African rhinos. In several African range countries, anti-poaching or habitat protection projects for elephants also benefit rhinoceros which share the same habitat. The new Asian Elephant Conservation Projects will provide even greater possibilities for significant collateral benefits to Asian rhinoceros and tigers sharing the same habitat. Thus, a single project has the potential to provide benefits for more than one of the target species.

The need for the new Asian Elephant Conservation Projects is critical because the species have been seriously neglected. Despite all the publicity about the decline of the African elephant, the Asian species, numbering only 35,000 to 45,000, is sparsely distributed over a huge range encompassing thirteen different countries from India through Southeast Asia to Indonesia. The decline of Asian elephants due to the ever increasing human population of the Asian continent has been relatively undocumented. The Asian elephant must share its habitat with some of the largest and poorest human populations in the world. The combination of pressures on the environment brought on by these conditions has resulted in the conversion of forest cover to agriculture and villages, fragmenting elephant habitat and populations. The Asian elephant is in real trouble and the $1 million requested will fill the significant void in the current conservation programs for this species

Continuation of funding for the African elephant at the $1 million level is essential to maintain the population gains that the species is just beginning to show after a dramatic decline in the 1980s. This decline has been stabilized largely by a successful international effort led by the United States to stop the ivory trade and provide anti- poaching assistance. Addressing the conservation needs of this species is complicated by the complexity of ivory trade issues and efforts to work with the 37 range countries with elephant populations. Projects made possible by this Fund have been critical in assisting rangers fight poaching and maintaining current population levels of the species.

The situation with most of the world's remaining rhinos in Africa and Asia is also serious. Poaching for rhino horn is the major threat for all five species, and habitat degradation is also a significant threat for the Asian species that live in tropical rainforests. All three species of Asian rhinos are in danger of extinction, two critically so. In Africa, the situation for the black rhino and the Northern white rhino is similar. Over the past few decades, black rhino populations have declined by at least 96 percent due to poaching. The Southern white rhino has been well managed in South Africa and is not in danger of extinction.

Wild tigers are in perhaps worse peril. The best estimate is that there are no more than 5,000 to 7,500 remaining tigers. The $400,000 requested for the Rhino and Tiger Conservation Projects, combined with the collateral benefits to these species provided from the African elephant and Asian elephant conservation projects, will make a real contribution to helping range countries deal with the species' conservation needs.

Question. What would a better split of funding be? Equal parts?

Answer. The Department supports the allocation of funding included in the President's Budget request: $1.0 million for African elephants; $1.0 million for Asian elephants; and $0.4 million for rhino and tiger conservation. Rhinos, tigers, Asian and African elephants all have threats to their continued existence and all are in trouble. Addressing their needs includes providing sufficient funds as well as ensuring that the funds are used effectively. The President's budget request will make a significant contribution to the conservation of all rhinos, tigers, and elephants, particularly in view of the collateral benefits for other species occurring in the same area.

Question. What accounts for the more than doubling in administrative costs for Multinational Species Conservation? It is at $30,000 for fiscal year 1998 and proposed at $72,000 for fiscal year 1999.

Answer. Each of the three authorizing statutes provides a very modest three percent of the appropriation for administrative costs. For fiscal year 1999, the Service is requesting $72,000 for administrative expenses, or three percent of the combined $2.4 million that would be appropriated under the Multinational Species Conservation Fund for the African elephant, Asian elephant, and rhinoceros and tiger conservation programs. This request will provide for the equivalent of a full-time staff position (1 FTE) to administer and coordinate the three programs, including the recently authorized Asian elephant conservation program, in an effective and efficient manner.

In fiscal year 1998, a technical error in the budget request resulted in $12,000 less than the $30,000 authorized for administration of the African Elephant Conservation Fund. The fiscal year 1999 request corrects this error and restores African elephant program administration to the three percent level of previous years. The rhinoceros and tiger programs are being administered in fiscal year 1998 on a part-time basis as collateral duties by International Affairs program personnel.

Question. I understand that the Fish and Wildlife Service may not solicit for proposals for the Rhino-Tiger fund in fiscal year 1998 because of a large backlog of worthy projects that are currently unfunded. Are there any plans to internally redirect other funds to reduce this backlog?

Answer. The FWS has already solicited fiscal year 1998 proposals for the rhinoceros and tiger conservation program. Of the 148 proposals received to date, including the 80 received in fiscal year 1998, 32 projects have been funded at a cost of $613,962. Another 40 proposals are under consideration with requests for additional information to meet criteria for funding.

In fact, the call for fiscal year 1999 rhino and tiger conservation program proposals has also been issued. It is necessary to issue a call for proposals in advance of actual appropriations because of the long lead time required to develop projects and secure sponsorship by the foreign governments.

The FWS has no plans to administratively redirect Multinational Species Conservation Fund appropriations from the African and Asian elephant conservation programs to the rhino and tiger conservation program. The fiscal year 1999 budget request for the Multinational Species Conservation Fund clearly identifies the amounts that would be available for the separate African elephant, Asian elephant, and rhino and tiger conservation programs. As is the case with most Departmental programs, each of these conservation programs receives more project proposals than can be awarded. The President's Budget includes funding for the highest priority projects.

BUREAU OF LAND MANAGEMENT

WILDLAND FIRE OPERATIONS

The BLM budget justification states that it and the Forest Service could feasibly treat (burn or other treatment) up to 5 million acres annually to address the approximately 95 million acres requiring treatment. However the fiscal year 1999 budgets for both agencies will result in treating 2.4 million acres.

Question. What would be the cost of treating the full BLM portion of the 5 million acres identified in the BLM budget justification?

Answer. The new funding source to perform prescribed fire and mechanical treatments (the Hazardous Fuels Reduction Subactivity) has only been available since the fiscal year 1998 appropriation was passed. It will take several years to build the level of expertise needed to develop burn plans, implement the burns, monitor and evaluate results, and work out smoke management issues with state air quality regulatory programs. It will take several years of increased level of operations to refine practices and cost estimates. Current cost estimates by the five federal agencies (BLM, BIA, FWS, NPS and FS) are based upon past operations. For example, while the BLM averaged about 60,000 acres of prescribed burning annually over the past decade, current estimates indicate approximately 500,000 acres need to be treated each year based on ecological and resource management needs. The Bureau's current cost per acre treated varies from approximately $10/acre on less complex burns where terrain and burning conditions are relatively easy to over $500/acre on complex situations. As the BLM workload is better defined, we will be able to refine program cost estimates.

The average cost per acre treated for BLM's fiscal year 1998 workload is estimated at $23. The current per acre treatment cost for the four Interior agencies in

fiscal year 1998 is also $23. To treat 2 to 2.5 million acres per year, estimated to be DOI's share of the 5 million acre total, would cost between $46 million and $57.5 million. To treat the BLM's share (about 500,000 acres per year) would cost $11.5 million.

A more scientific determination of treatment needs, location of activities, impacts, sequencing and scheduling treatments, and comparison of alternative practices, impacts, and costs, will become available as we gain more experience. More information will also be available when the products of the Joint Fire Science Program, that Congress initiated in fiscal year 1998, become available along with revised land use plans that more fully address the role of fire in resource management.

Question. What is the BLM annual treatment share (acres) of this five million acres?

Answer. The BLM Wildland Fire Management budget request includes the four Department of the Interior agencies with wildland fire management programs (BLM, BIA, FWS, NPS). The 95 million total acreage figure and the 5 million acre per year treatment figure are interagency estimates that include the U.S. Forest Service and that were made nearly two years ago. They should be viewed as early estimates of the potential workload. Interior's share of that estimated workload ranges from 2 to 2.5 million acres per year. The BLM portion of this workload is estimated to be 500,000 acres per year. We recognize that this is an estimate and that additional planning and analysis, being conducted through the Joint Fire Science Program, will refine this figure.

The agency is changing its overall fire emphasis from fire control to fire management.

Question. How will the emphasis on fire management likely affect annual suppression costs in the context of the ten year average which the agency regularly refers to?

Answer. In the last decade, the ten year average of fire suppression costs has been increasing due to the increased incidence of larger, more severe and more costly fires. Over the long term (more than a decade), we expect to see a leveling off of the suppression costs. This should occur as hazardous fuel reduction operations begin to break up large continuous bodies of fuels, improve the general health of forest and rangelands to resist the negative effects of wildfires, and improve our ability to keep up with the ever increasing number of human caused fires.

The agency proposes a smokejumper workforce of 120 during fiscal year 1999 with half stationed in Alaska. The Forest Service has proposed a similar workforce (with none in Alaska). The smokejumper program has a long and proud history.

Question. Has the agency, either cooperatively with the Forest Service, or on its own, evaluated the cost effectiveness of this program?

Answer. The BLM and the Forest Service have jointly studied and reviewed the national need for smokejumpers several times. Through the fire planning process, a qualitative analysis of state and local needs are also periodically reviewed. The two agencies hold a joint post season program review each year. The interagency national smokejumper numbers, operational locations, and the numbers and types of aircraft have been coordinated and established as a result of these national studies and plans. The two programs are designed for "total mobility" and integration. As a result BLM and FS jumpers often end up at the same bases and jumping out of the same aircraft as the season progresses. These mixed operations generally occur when there is a concentration of dry lightning storms and the number of new ignitions overwhelms local initial attack remote operations. The few program differences that do exist are a result of the land ownership and differences in the dominant fuels and terrain.

In addition, some BLM smokejumpers are diversifying their skills so that they can assist in other aspects of the fire management program, e.g. prescribed fire, fire management training, fire and resource plan development involving fire ecology, and detail assignments when critical field vacancies occur during the fire season. Expanding the use of these smoke jumpers is a cost effective way to increase program capabilities.

Question. With the current transportation system and its significantly greater access than existed during the early history of the smokejumper program, has the agency considered reducing its smokejumper forces in favor of less expensive alternative personnel resources?

Answer. Without a doubt the amount of roads in the country has improved the ability to take rapid initial attack actions. The majority of the increasing number of ignitions occur where humans work and recreate. But the vast roadless areas of Alaska and in parts of the western US still dictate the need for a highly mobile, rapid attack skilled workforce best served by a combination of smokejumpers and helitac crews. Changes in technology in the past fifteen years have actually in-

creased the ability for jumpers to respond in even the most rugged terrain. The total numbers of smokejumpers in the US is basically static. The BLM and the Forest Service continue to look at alternatives through the fire planning process, but to date this technique fills a niche in the total workload and has proven to be reliable, safe, effective, and cost efficient.

INFRASTRUCTURE

The BLM proposes an increase of $6.5 million for facility maintenance. This is in addition to infrastructure related improvements funded by Construction and O&C accounts.

Question. Will these program increases reduce the deferred maintenance backlog or only slow the growth in the size of the backlog?

Answer. Accomplishing the deferred maintenance projects identified in the 1999 budget request will reduce the critical health and safety deferred maintenance backlog by about $12.5 million.

Question. When new facilities are constructed where there were none previously, the need for maintenance expenditures will likely increase. How much of the construction line item is geared to reconstruction or the construction and replacement of facilities, versus construction of new facilities where there were none previously?

Answer. The BLM's total construction request is for $4,175,000 or 13 separate projects. Of this amount only two projects are new construction: El Camino Real International Heritage Center in New Mexico and Devil's Elbow Recreation Area in Montana. El Camino funding is the final phase of construction of a 50/50 cost share project with the State of New Mexico where the State will fund over 75 percent of the operation and maintenance costs. Devil's Elbow is a challenge cost share project with Montana Power and fulfills the requirement of a FERC re-licensing agreement. All of the remaining projects are reconstruction or replacement construction and are targeted at reducing the risk to public health and safety or decreasing environmental degradation and will reduce future maintenance needs.

Question. How is BLM reducing deferred maintenance backlogs through disposal or vacating facilities? Please provide specific historical data on the number of facilities eliminated?

Answer. The BLM has several projects, mainly roads, that should be abandoned. These projects are in competition with other public health and safety and/or environmental protection projects and generally do not successfully compete for funding. The BLM will generally abandons a site for public safety or environmental considerations. The BLM does not have a list of facilities that have been disposed of or vacate.

Question. Director Shea, in his statement at the recent House hearing on deferred maintenance refers to the Facilities Inventory Maintenance Management System (FIMMS). Why does the agency maintain a system separate from other Bureaus?

Answer. The BLM developed FIMMS in response to Congressional direction to improve our ability to track and report our facilities maintenance needs. FIMMS was developed in concert with Congressional review to best meet BLM's mission needs. The maintenance system is maintained at our field offices where maintenance needs are coordinated with local governments and user groups.

The BLM is working with the Department and the other bureaus to develop common facilities maintenance terminology and definitions. The BLM is an active member of the Department's deferred maintenance working group which is developing guidelines and procedures for standardizing Departmental systems requirements and developing the five-year maintenance and construction project list. In addition, the BLM is working with the Department to develop suggestions for improving BLM's budget structure in order to improve the financial tracking of our deferred maintenance accomplishments.

Question. Does the Department intend to centrally combine infrastructure data into a single data base? If not, why? If so, when?

Answer. As part of facilities maintenance and capital improvements initiative, the Department is reviewing bureau facilities information systems. The Department hopes to reach conclusions on the current adequacy of these systems and any needs to reengineer, replace, or consolidate the systems prior to the final decisions on formulation of the fiscal year 2000 budget.

REALTY AND OWNERSHIP MANAGEMENT

The agency refers to an Alaska lands transfer re-engineering effort that will be implemented in fiscal year 1999.

Question. What specific efficiencies will result from this effort?

Answer. Recommendations from the land transfer re-engineering effort included the development of geographically related project areas through regional strategic management plans. Working in project areas should reduce time and resources needed to complete Native allotments, ANCSA entitlements, and State entitlements.

Question. What are estimates for improved unit costs? How much more production can be expected assuming unit costs improve?

Answer. Working in project areas will reduce the number of trips to the field and reduce redundant and overlapping review processes. This should reduce the estimated unit cost by 10 to 20 percent.

The budget justification refers to "better land acquisition priorities" which will be established in fiscal year 1999.

Question. Please explain these new priorities. Why are the new priorities needed? What was wrong with the old priorities?

Answer. The "priorities" mentioned in the budget justification refer specifically to the long-term goal in the BLM's Annual Performance Plan of "Establish land acquisition priorities to conserve and protect heritage resources." This goal is specific to acquisitions within special designated areas. In the past, BLM has not defined land acquisition priorities in this context.

A recent report by DOI OIG, concerning the Del Webb land exchange in Nevada, states that the BLM failed to "fully conform to established standards, procedures, and controls for appraisals and land valuations and did not justify or document the propriety of its actions." It further stated that only after external pressure, BLM obtained a second appraisal, saving the government $9.1 million. The OIG recommended a moratorium which was objected to by BLM.

Question. What specific policies have been changed to avoid similar practices in the future?

Answer. BLM fully conformed to established standards, procedures and controls for appraisals and land valuations and did document our actions for the Del Webb land exchange. There was no loss of $9.1 million because BLM management decided early in the process to obtain additional appraisals.

Question. Why did BLM use an appraiser recommended by the company involved in the exchange? Why was this problem not intuitively determined to be inappropriate (if not completely contrary to policy)?

Answer. The appraiser the BLM used is a nationally recognized authority on the appraisal of Master Planned Communities. The BLM determined independently that this appraiser was qualified.

Question. Has this circumstance occurred previously?

Answer. We always strive to obtain the best appraisal services available. In order to be approved by BLM for use in a land exchange, an appraisal must conform with the regulations in 43 CFR 2201.3. The appraisals approved for the Del Webb land exchange met these requirements.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The agency provided its annual performance plan for fiscal year 1999. However there is no crosswalk displaying how the President's budget is represented in total for the goals and performance indicators, unlike what has been supplied by other agencies.

Question. Has the BLM developed such a display? If so, please provide it to the committee. If not, when does it intend to do so?

Answer. The Bureau of Land Management has not developed such a table at this time. Two budget crosswalk tables are included in BLM's fiscal year 1999 Annual Performance Plan. The first table crosswalks program and financing Activities for fiscal year 1997, 1998, and 1999 funding levels to strategic goals. The second table crosswalks performance goals and indicators to program and financing codes.

The BLM is still refining and improving its Annual Performance Plan and the linkage to the current budget structure. As we work to make the plan more comprehensive, we will be better equipped to develop a performance goal budget crosswalk. If such a table is needed, BLM could develop one after the 1999 Appropriation Act has passed.

Question. Does the agency foresee any changes in budget structure as GPRA is further implemented within the organization?

Answer. As implementation of GPRA progresses and the Bureau gains more experience with the goals and measures that are agreed to by BLM, the Department, OMB, Congress, and customers and stakeholders, it is possible that the Bureau will propose changes in the activity structure to better reflect performance goals. At this time, however, the Bureau does not have specific changes to propose.

WARD VALLEY LAND TRANSFER

For the last five years, the Department has refused to transfer the Ward Valley site to the State of California for a low-level radioactive waste disposal site claiming that the science doesn't support such a transfer. A 1995 National Academy of Science report, which you requested, concluded that the site could be operated safely as a low-level waste disposal site. Nonetheless, the Department has continued to refuse to transfer the property requesting another Environmental Impact Statement be prepared and more testing be completed even though there has been more than a decade of scientific testing at the site, and three NEPA documents.

Question. Why has the Department not proceeded with the transfer of the site?

Answer. The Department's responsibilities under NEPA and FLPMA require us to ensure that the public lands requested by the State are safe for the use intended, i.e. a low-level radioactive waste facility. Currently, except for finishing work already started, we are suspending further work on the SEIS and its associated onsite drilling, until the question raised by the majority leadership of the California State Legislature regarding the legality of the California Department of Health Service's land sale application under State law has been resolved.

Question. Why is more testing necessary?

Answer. The National Academy of Sciences recommended further testing at the site to address conflicting data about the rainfall infiltration characteristics of the site and resolve the issue of the potential for migration of stored waste residue as far as the Colorado River. Both the Department of the Interior and the State of California plan to conduct separate testing to address this issue. The data will be analyzed in the SEIS and made available for public review.

Question. When does the Interior Department plan to begin its field tests?

Answer. The Department will decide when to proceed on the field testing following resolution of the legal issue explained above.

Question. How much has the Department spent since 1995 to plan and implement the new Ward Valley tests and prepare the supplemental Environmental Impact Statement (SEIS)? Please include in the answer the amount spent on the preparation of the SEIS and new tests for each fiscal year since fiscal year 1995 expenditures.

Answer. The following table summarizes actual and expected costs related to tests and SEIS preparation at the Ward Valley site. No funds were spent on these activities prior to 1997.

Items	Activity	Cost
1997 costs:		
Contract supplement (EIS)		$427,000
Contract protocol for tritium testing		64,000
Field inspection of site (Army Corps of Engineers)		20,000
1998 costs:		
Conduct tritium drilling		1,322,000
Laboratory Analysis and testing report		500,000
Independent review of analysis and report (peer review)		50,000
Total		2,383,000

Question. Where are these tests and costs associated with the supplemental EIS found in your budget? Please include in the answer the specific accounts, and amounts from those accounts, which will be used to fund the preparation of the supplemental EIS and completion of the new tests.

Answer. Ward Valley and other land transfer or exchange proposals are funded in the Realty and Ownership Management Activity in the Management of Lands and Resources Appropriation and in the Acquisition Management Activity in the Land Acquisition Appropriation. However, Ward Valley is not specifically mentioned by name. Congress has provided BLM with the flexibility to work on the highest priority lands issues recognizing that they generally take several years to complete. Anywhere along the process issues can arise that could modify, delay, or terminate a realty action. If a specific lands action were delayed, BLM would proceed to the next highest priority project. The Land and Realty subactivity received $28,622,000 in the fiscal year 1997 Appropriations Act and $29,395,000 in the fiscal year 1998 Appropriations Act. The Acquisition Management Activity received $2,500,000 in the fiscal year 1997 Appropriations Act and $3,000,000 in the fiscal year 1998 Appropriations Act.

Question. What contracts, and for what amounts, has the Department entered for the development and implementation of the test protocol and preparation of the SEIS?

Answer. Contract costs are summarized in the table below:

Items	Activity	Cost
1997 costs:		
Contract supplement (EIS)		$427,000
Contract protocol for tritium testing		64,000
Field inspection of site (Army Corps of Engineers)		20,000
1998 costs:		
Conduct tritium drilling		1,322,000
Laboratory Analysis and testing report		500,000
Independent review of analysis and report (peer review)		50,000
Total		2,383,000

Question. What is the current cost estimate to complete the testing and the SEIS?

Answer. The current cost estimate to complete the tritum study and the SEIS is $2.4 million.

Question. On what date does the Department now anticipate transferring the Ward Valley site?

Answer. Pending resolution of the legality of the State's application, we are unable to project a transfer date at this time.

Meanwhile, protestors who were issued a permit by the Bureau of Land Management to occupy the site refused to leave when the permit expired on January 17. Rather than removing the trespassers, BLM law enforcement officials have been ordered away. Now the Subcommittee is told that the protesters have taken to deciding who may enter the area and who may not. These protesters refuse to allow Interior Department access to the site, which is Federal land, in order to conduct additional tests on site's safety.

Question. The question must be asked; who is in charge on our federal lands?

Answer. These are public lands under the jurisdiction of BLM and the Department of the Interior. BLM, with the assistance of the Department and BIA, is working diligently with the Native American Tribes involved to bring their protest into compliance with the existing permit.

Question. When, by what means, and at what cost will the Department clear protesters from the Ward Valley site in order for testing to commence?

Answer. As stated earlier, BLM is expecting to resolve the onsite situation soon and bring the Native American Tribes (led by the permittee, the Fort Mojave Tribe) staging the protest there into compliance with their existing permit. In addition, since the planned drilling activities are suspended pending resolution of the question of the legality of the State's permit, BLM has also decided to rescind the five-day relocation notice given to the Fort Mojave last February, which will allow the Tribe to come back into compliance with their existing permit. Therefore, no action to remove the protesters will be necessary and no additional costs are expected to be incurred.

Question. There is some indication that government equipment is being used by the protesters at Ward Valley. Has this allegation been investigated?

Answer. Yes, BLM has conducted an inquiry in response to this allegation. The Inspector General is conducting a separate investigation.

Question. What has been found?

Answer. The BLM has found that Government Vehicles with State of Arizona license plates were being operated at the Ward Valley Site. No Federally owned equipment was found to be used at the site.

Question. What action will be taken if this information is substantiated?

Answer. No further action is now planned.

BACKYARD DISCOVERIES

The BLM supports a cooperative program through the Anchorage Field Office called Backyard Discoveries.

Question. What are the objectives of this program?

Answer. Backyard discoveries is a public outreach initiative by the Anchorage Field Office to educate current and future publics about natural resources management. Additional objectives are to provide opportunities for the public to learn how

to gather resource data and monitor the health of public land and to have the data gathered by volunteers available for students, teachers, and the general public to use and interpret.

Question. What are the program's components?

Answer. The program has several components: it allows the public to learn how resource data can be used to manage public land and gives the public the opportunity for hands-on experience.

Question. How has the program been funded in the past?

Answer. The outreach effort was funded at $12,000 in fiscal year 1997 from within the BLM's base funding level.

Question. How does the BLM propose to support this program in the future?

Answer. In the future, support would come from the Management of Lands and Resources (MLR) activities dollars and from local partnerships.

Question. Based on the agency's experience from this program, what long-term benefits and goals does the agency intend to pursue for this program?

Answer. The primary benefit of Backyard Discovery is to provide assistance to local school districts in environmental education and to provide an understanding of public land management programs. The outreach efforts educate the public and help recruit volunteers to assist BLM. The initiative will continue as a part of public outreach with the goal to educate and involve the public in land management.

GRAND STAIRCASE—ESCALANTE NATIONAL MONUMENT

An October 1997 GAO report quoted state sources to estimate mineral values and economic effects of developing minerals in the Grand Staircase-Escalante National Monument. The report states that the Interior Department took strong exception to estimates reflected in the GAO report.

Question. What are the Departments estimates of mineral value and economic effects?

Answer. The Department has made no comprehensive estimates of mineral values and economic effects from developing minerals in the Grand Staircase-Escalante National Monument. The Department's objections to the estimates used in the GAO report, Federal Land Management: Estimates of Mineral Values and of the Economic Effects of Developing Minerals in the Grand Staircase-Escalante National Monument, were based on the report's reliance on two estimates prepared by the State of Utah, one by the Utah Geological Survey and the other by the Governor's Office of Planning and Budget, without assessing the validity of those estimates. These estimates are significantly inflated and overstate the economic effects of developing minerals in the Monument. As we stated in our letter to the General Accounting Office concerning this report, we believe the GAO erred by using this flawed information.

Recently published information, Kaiparowits Coal Supply and Demand, BXG, Inc., (1997), shows that coal resources in the Monument could not begin to compete in the coal market until at least the year 2020, drastically reducing the present value of coal in the Monument. Similarly, estimates for oil and gas in the Monument are highly speculative. Yet, the Utah Geological Survey values those potential resources as though they were guaranteed to exist, were being produced today, and every drop could be extracted and sold. Reliable estimates of mineral values and economic effects of developing minerals in the Monument have not been developed. Using the State's estimates without addressing the appropriateness or reasonableness of these estimates did not provide Congress with useful information on this question. The Utah Geological Survey has since decided to revisit the basis of its theories, and now believes that far less potential exists than it previously believed.

Question. What is the status of the land exchange program relative to "school trust lands."

Answer. On May 8, 1998, Interior Secretary Bruce Babbitt and Utah Governor Mike Leavitt signed an agreement concluding negotiations between the Interior Department and the State of Utah concerning state school trust land inholdings throughout the Grand Staircase-Escalante National Monument, the National Park system, National Forest system, and Indian reservations in Utah. That agreement has been incorporated in H.R. 3830, which was introduced in Congress on May 12, 1998.

PM–10 AIR QUALITY STUDY

The BLM budget justification states that it will continue involvement in the San Joaquin Valley PM–10 Air Quality Study in fiscal year 1999.

Question. What level of funding is planned?

Answer. The President's budget request for the Soil, Water and Air program is $31,031,000. Of this amount, $20,000 is available for the California Regional PM–10 Air Quality Study. The California Regional PM–10/PM–2.5 Air Quality Study is a cooperative partnership formed in 1990 among Federal, state, and local governments, private industry, and other regional organizations. The study is intended to provide information for the development of an effective plan for the San Joaquin Valley to attain the small particulate (PM–10) national and state ambient air quality standards. Eight counties in the San Joaquin Valley are in a serious non-attainment area and must meet the ambient PM–10 standards by 2001. Several study initiatives were continued in fiscal year 1997 and 1998, e.g., further study planning, technical support studies, modeling and emissions studies. In 1998, as part of the PM–10 Air Quality Study in the San Joaquin Valley, the BLM helped develop the Federal Clean Air Partnership (FCAP). This partnership is a coordinating and technical advisory group on air quality issues in the Sierra Nevada. The FCAP partnership consists of representatives from the BLM, U.S. National Park Service, and U.S. Forest Service. The partnership pools personnel, resources, and expertise to improve, maintain, and protect the air quality and associated air quality values of lands managed by the FCAP agencies. FCAP also seeks to prevent or minimize the threat to public health and safety, damage to natural site characteristics, and economic losses due to degraded air quality.

OIL AND GAS MANAGEMENT

The Department's 1998 report on Oil and Gas Management states that "to ensure accurate royalties for oil and gas production on lands under BLM's supervision, the agency is implementing plans to re-emphasize and improve its production verification program." However the Oil and Gas management line item reflects a decrease of $2.1 million. Elsewhere in the Department's document there is reference to streamlining and simplifying oil and gas processes and developing cooperative relationships with the States.

Question. How will the agency reemphasize and improve its production verification program while cutting back on funding of the overall program?

Answer. The overall oil and gas program outside of the NPR-A effort is not being reduced in 1999, but rather is remaining level. The $2.1 million was a congressional increase in fiscal year 1998 to complete the environmental review and analysis of management alternatives for the Alaska National Petroleum Reserve No. 4 (NPR-A). This effort will be completed during fiscal year 1998 and additional funding is not required for it in fiscal year 1999. The improvements in production verification are based on an increased program emphasis on review of production records.

Question. What controls and safeguards will the agency maintain during reengineering processes or in developing partnerships with states to assure that production verification and income to the government will not suffer?

Answer. BLM's reengineering efforts have focused on ensuring the protection of the Federal resource and providing full return to the government while implementing measures to streamline and simplify the oil and gas program. As noted above, the BLM has increased its review of production records. Any under-reported production volumes are resolved and are shared with MMS to ensure the collection of royalties due to the U.S. Other efforts have focused on developing partnerships with the States to reduce duplication and increase efficiencies in the program for both BLM and the States. Currently, BLM has Memoranda of Understanding with the State regulatory agencies of Arizona, California, Colorado, Montana, New Mexico, and Utah. Any delegations or partnerships involving the performance of BLM functions by States require the State program to meet Federal standards to assure that proper royalties are received, as well as producing long term efficiencies.

ALMRS

The BLM proposes $34.6 million for the Automated Land and Mineral Record System (ALMRS), which is an increase of $1.6 million.

Question. It appears that ALMRS is intended to contain a full range of land and minerals data. Will all resource layers be contained in the system including timber, range, wildlife habitat, etc. when Release 2 is finalized? If not, what plans does the agency have to add this information?

Answer. ALMRS Release 2 will include the ability to overlay a number of reference layers that are geographically referenced, such as hydrography, roads, timber, range, and wildlife habitat. However, these resource layers will not be included and maintained by ALMRS. Each program area in the BLM will develop and maintain the resource layers for which they are responsible. The schedule for the availability of each resource layer will be determined by the responsible program area.

The BLM will use its ALMRS web pages to indicate the availability of resource layers which can be overlaid with ALMRS and provide access to the resource data along with land and mineral data.

Question. Will BLM accomplish its goal of every BLM office having access by 1999?

Answer. Yes. BLM is on track to provide access to ALMRS from every BLM office in 1999.

Question. What plans are envisioned for future releases if any?

Answer. Deployment of ALMRS Release 1 is scheduled to begin in 1998, and substantial progress has been achieved for Release 2. A BLM Business Practices Group has been formed which is integrating ALMRS with ongoing business processes. This group is also assessing how the capabilities of ALMRS Release 1 and Release 2 can be leveraged with future enhancements to achieve BLM goals for quality, performance, and information availability. This assessment is still in its early stages, and the nature, schedule, and cost of future releases have not been fully addressed.

Question. Will the ALMRS system be directly utilized by other agencies or bureaus to manage their land and minerals information? What other agencies currently utilize ALMRS? What long term cooperative plans exist?

Answer. A key goal for ALMRS has always been to become the primary system for managing federal land and mineral information. Minerals Management Service (MMS) currently uses the BLM legacy system, Case Recordation, for managing their land and mineral information and is transitioning this use to ALMRS. Cooperative plans are being pursued with the Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, the National Park Service, and the U.S. Forest Service to interface and, where possible, integrate ALMRS with their management of land and mineral information.

NOXIOUS WEEDS

The BLM proposes an increase of $3.3 million for noxious weed programs.

Question. Based on current projections for the spread of noxious weeds, what are projections over the next five years for program needs to fully address the problem?

Answer. To fully address the noxious weed problem on public lands administered by the Bureau of Land Management would require a funding level of approximately $26 million within the next five years, based on our present understanding of the problem. This money would increase our ability to work with our partners-private land owners, counties, states and other federal agencies—to further accomplish goals identified in the weed management program to prevent and control the spread of weeds. This would include prevention and detection, education and awareness, inventory and mapping, and project coordination. In addition it would provide support for integrated weed management, biological control, research, monitoring and evaluation, and restoration of priority sites. Future budget requests, however, would be fully dependent on a carefully considered process of establishing and evaluating priorities, determining trade-offs between programs, and making difficult decisions in proposing funding allocations.

Question. The budget justification states that it will have cooperative management agreements for the control of invasive weeds in place with 46 percent of the counties that have invasive weed programs. What are future expectations for such agreements with other counties?

Answer. The BLM's long-term goal is to have cooperative weed management agreements by 2002 with 50 percent of the counties (with BLM managed Federal lands) that have invasive weed programs.

PORTLAND CO-LOCATION

The BLM and Forest Service have been in the process of co-locating their offices in Portland, Oregon. Despite an appropriation of $5.1 million in fiscal year 1996, this collocation has yet to occur.

Question. There is some indication that BLM is dragging its feet and stalling co-location. Is this true?

Answer. This is not true. Shortly after the 1996 Appropriation Act, the BLM assigned a full-time project manager to the co-location and has actively pursued this project since that time. There has been extensive planning and coordination between the BLM, Forest Service, and GSA's local and regional office which continues to this day.

Question. Why has the agency not co-located its Portland Office?

Answer. In late 1996, at a time when the BLM and Forest Service were close to submitting their construction package to the GSA and building owner for the beginning of the physical changes which are necessary for this project to occur, we were

informed by the GSA that the language in the fiscal year 1996 Interior Appropriations Act did not exempt the agencies from the limitations in the 1959 Public Buildings Act and subsequent amendments. This act requires further Congressional authorization if changes are made to a leased facility which exceed $905,000. The changes are expected to exceed $3 million. Progress on the co-location project has been halted while awaiting this further authorization.

Question. A briefing paper provided by BLM states the agency must seek approval from two Congressional committees to make modifications before the co-location can occur. Has BLM sought this approval? If not, when will it do so? Is BLM aggressively working with GSA to accomplish this move?

Answer. The BLM has been aggressively pursuing this further approval. In early 1997, the proper documentation was forwarded through the GSA's Regional Office to their National Office. This authorization package was forwarded by the GSA National Office to the proper Congressional committees but was not considered last year. Currently, the authorization package is bundled with the GSA's Capital Improvement Program and is before the House Subcommittee on Public Buildings and Economic Development. Approval is needed there and in the House Committee on Transportation and Infrastructure before forwarding to the Senate. Approval is needed by the Senate Transportation and Infrastructure Subcommittee and the Committee on Environment and Public Works. The BLM has actively partnered with the GSA regional office to pursue these approvals.

WILD HORSE AND BURRO PROGRAM

The agency is requesting an increase of $2.4 million for management of the Wild Horse and Burro program.

Question. With adoption declining and the population increasing, is the agency contemplating new approaches in this program?

Answer. The demand for animals through the adoption program declined during the first part of this fiscal year. As a result, the BLM had to hold more animals in our facilities for a longer period of time than planned. The BLM took the steps described below to address this situation.

In December 1997, the states were asked to add more adoptions to their existing schedule. The six western states added ten additional adoption events (both facility and satellite adoptions) to increase their adoption goals in fiscal year 1998. To further increase adoptions, a Western States Adoption Strategy was developed to share personnel for gathers, preparation, adoptions, and compliance. Sharing personnel during peak workloads will enable the states to place additional animals this fiscal year. Together, these actions increased the adoption goal for fiscal year 1998 to 10,225 animals. This level of adoptions would clear the holding facilities in sufficient time and provide sufficient capacity for the planned gathers in fiscal year 1998 to proceed.

Additional promotion of adoptions in the west is necessary to achieve adoption goals. A public outreach plan is being developed to locate and take advantage of new markets. A marketing analysis will include a long term plan to increase the number of adoptions and then maintain that increased level in the west.

The BLM is experimenting with wild horse and burro adoptions over the Internet, and the idea of gentling wild horses and then adopting them through competitive events to enhance their adoptability. The Director is also requesting recommendations from the newly chartered Wild Horse and Burro Advisory Board.

The BLM continues to pursue fertility control research as a means to deal with the increasing populations. We are focusing on an immunocontraceptive vaccine that is proving to be a viable, economically effective, and humane tool for reducing wild horse reproduction.

Question. What are the prospects for efforts to reduce fertility among the population?

Answer. Currently the prospects for fertility control of wild horse populations look very good. A pilot study of an immunocontraception vaccine to prevent pregnancy in mares was implemented in northeast Nevada in December 1992. The results of this pilot study to date have shown immuno-contraception could be a viable, economically effective, and humane tool for reducing wild horse reproduction.

—Researchers have reformulated the vaccine and now have developed a single-injection vaccine, which does not require a booster shot, that will last for approximately one year.

—A second pilot project, with a redesigned vaccine that has the potential to last for more than one year, was initiated on the Nevada Wild Horse Range/Nellis Bombing and Gunnery Range in January 1996.

—Field application of the single-injection, one year vaccine began in Nevada this January and February. Application of the vaccine will be expanded and additional herds will be treated in subsequent years.

—The BLM plans for wild horse and burro immuno-contraception research to continue at about $200,000 in fiscal year 1999. This research is funded by the Biological Research Division of the U.S. Geological Survey, not BLM.

Question. Based on the sensitivity of this issue, assuming the population continues to increase and fertility is not reduced, what changes are contemplated to manage this program?

Answer. Based on the results from the ongoing fertility research involving the immunocontraceptive vaccine, the Bureau feels that we will be able to use fertility control as one tool, together with other management practices, to manage animal population increases.

In addition, based on recommendations of the August, 1996 Emergency Evaluation, the Director reestablished the Wild Horse and Burro Advisory Board. This board is provided for in Section 7 of the 1971 Wild Free-Roaming Horse and Burro Act. The Bureau believes that the use of the Advisory Board will help by making recommendations to manage this program in a way that will better reflect the wishes of the American people.

U.S. GEOLOGICAL SURVEY

GOVERNMENT PERFORMANCE AND RESULTS ACT [GPRA]

Question. How were the measurable goals of your fiscal year 1999 Annual Performance Plan used to develop your fiscal year 1999 budget?

Answer. The USGS Strategic Plan laid out the direction and long-term goals of the Survey through the year 2005. These goals were the basis for defining the annual incremental performance goals required in fiscal year 1999 to attain these long-term goals. Review and analysis of program status identified certain milestones met from which funding could be decreased in order to direct funding to other program phases that were scheduled to begin.

Question. If a proposed budget number is changed, up or down, by this committee, will you be able to indicate to us the likely impact the change would have on the level of program performance and the achievement of various goals?

Answer. Yes, the Annual Performance Plan for fiscal year 1999 was developed on the basis of the GPRA Strategic Plan. The strategic business activity goals and performance goals were sorted by budget activity before preparation of the Annual Plan. The budget presents the Strategic Plan goals with the fiscal year 1999 Annual Performance Plan goals, indicators, and goal attainment levels in tabular form. These tables are sorted by budget activity (P&F Code) to clearly link both Strategic and Annual Plans with the fiscal year 1999 Budget Justification. In this way, the relationship of annual milestones to strategic goals and the impact of funding changes can be readily tracked.

NEW DIRECTOR

Question. Gordon Eaton retired as director of the Survey this past fall. When do you expect to appoint a new director? Where are you in the selection process?

Answer. The process of selecting a new Director to lead USGS into the next century began shortly after Dr. Eaton's retirement began. Because of the peer consulting associated with the selection of a new Director, the completion of this process can take a number of months. In the intervening months, the USGS has not been a rudderless organization. Dr. Thomas Casadevall was named to the position of Deputy Director of the Survey. In addition to his new duties, Dr. Casadevall, formerly Regional Director of the USGS Western Region in Menlo Park, has temporarily assumed the role of Acting Director of USGS. His enthusiasm, academic achievement and wise management expertise keeps the Survey on a strong and vibrant course as we seek to appoint a new Director before the end of the year.

CORE PROGRAMS VERSUS NEW INITIATIVES

The fiscal year 1999 USGS budget justification includes approximately $50,000,000 designated for new program initiatives; $22,772,000 in reductions to existing programs; and $17,495,000 in uncontrollable cost increases.

Question. Why are special initiatives taking precedence over support for core programs?

Answer. Science is not static, it continually evolves and new priorities are established. In order to be useful, the questions of science must be constantly rephrased

and adapted to our changing world. The 20th century was a period where physics was the discipline of the day. As we move closer to the 21st century, our survival becomes more dependent on understanding issues related to the natural and biological sciences. As our world and its need for knowledge changes, scientific research needs to change as well. As such, the USGS budget for the last year of the 20th century provides a bridge to new science, to understanding how to achieve and maintain sustainable development as it relates to our watersheds and ecosystems. A redirection of $23 million in a $800 million total budget is a relatively small (less than 3 percent) shift in the budget priorities of a research organization.

Question. Given proposed reductions of nearly $23 million to existing programs, is it fair to assume that these programs are more than sufficiently funded at their fiscal year 1998 levels?

Answer. The increases included in the President's Budget for special initiatives are reflective of the Administration's priorities for the USGS science needs in fiscal year 1999.

Reductions include a $1.37 million across-the-board cut in the Biological Resources Division, a $1.1 million reduction to unspecified science programs for absorption of a potential increase in GSA rent payments, half a million dollars in "miscellaneous" reductions to the water program, and approximately $5 million in savings from largely undefined "reinventing government" measures.

Question. How do you justify program cuts that are defined so unclearly that the impact to specific programs cannot be readily determined?

Answer. Given a constrained funding environment, program reductions were necessary in order to provide the flexibility to address other high priority needs of more immediate concern.

DISASTER INFORMATION NETWORK

$15,000,000 in new program funds are proposed for a national Disaster Information Network. These funds would be intended to enhance coordination among Federal agencies and other organizations, standardize information collection, and improve organization and access to disaster information. A multi-agency "integrated program office" hosted by GS will manage Federal coordination efforts.

Question. By law, the Federal Emergency Management Agency is the entity responsible for coordinating disaster response. This would seem to be the logical home for a multiagency program office intended for that purpose. Why is GS the lead agency?

Answer. The USGS is the national leader in research, monitoring, and warning of most natural hazards. Information on hazards, their likelihood, and how to prepare for them are the primary products of the scientific research programs that are critical missions of the USGS. It has:

—Primary national responsibility for research and for providing real-time information and warnings for earthquakes, volcanic eruptions, landslides, and wildlife disease outbreaks.

—Primary national responsibility for stream-flow data and works closely with NOAA to assist in their role of forecasting floods.

—The USGS works with NOAA and other agencies in monitoring and providing warnings for geomagnetic storms (space weather), tsunamis, volcanic ash clouds, wildfires, and coastal storms.

—The USGS is undertaking a major pilot research effort in monitoring wildfires and volcanoes using advanced monitoring systems.

—The USGS programs are divided into four themes: hazards, information, environment, and resources. A disaster information network brings the first two themes together and plays a significant role in many aspects of the latter two themes.

The USGS is a national leader in the dissemination of disaster information:

—The USGS responds to the requirement for maps and digital data in times of natural disasters and other crisis situations through a well-coordinated delivery network.

—The USGS, as the lead civilian mapping organization in the United States, is responsible for providing maps and digital data to the Department of Defense in times of national security or other national crisis.

—USGS maps are used throughout the country and USGS digital data are becoming equally ubiquitous.

—The Secretary of the Interior chairs the Federal Geographic Data Committee.

—The USGS chairs the Civil Applications Committee and operates the Advanced Systems Center for the proper utilization and distribution of classified data.

—The USGS operates the EROS Data Center for delivery of mapping and imagery products.

Strategic Performance Goal BA3-M3 of the USGS GPRA Strategic Plan states that "the Earth Science Information Management and Delivery Program will manage and deliver an increasing volume of geospatial data, including from classified sources, to enable policy officials and program managers to make wise and informed decisions when facing critical national issues." Geospatial data constitute a major part of disaster information and mitigating the effects of disasters is a critical national issue.

The disaster information network initiative was developed by all appropriate agencies and will involve all of these agencies in the operation of an Integrated Program Office staffed by detailees from each of the agencies. The USGS will host this office and provide national leadership in an area that is critical to the utilization of USGS research. The proposed disaster information network will not supersede any existing roles or responsibilities of the agencies. The disaster information network will add value by coordinating and integrating critical disaster information so that users can quickly locate the information they need without having to identify which agency is providing it or where it resides.

USGS, as host agency, will expend the funds as it does with its other programs—in a manner that most cost-effectively meets the program mission requirements, including the use of in house research, private sector support, and interagency expertise.

Question. What outyear costs are anticipated in the implementation of this program?

Answer. The feasibility study by the Disaster Information Task Force suggested a total cost over several years of $50 million to develop the network and outyear operating costs of $10 million per year paid in part from private sources through the public/private partnership to be developed. KPMG Peat Marwick LLP prepared a benefit-cost analysis based on these assumptions and concluded that the ratio of costs to benefits over 10 years would be in the range of 12 to 25:1 for Federal benefits and 15 to 31:1 for national benefits.

Question. Approximately $5,000,000 of the total amount requested is intended for equipment upgrades. What will the remaining $10,000,000 be used for?

Answer. The budget proposed for the Disaster Information Network breaks down as follows:

—5 million. Establish the Integrated Program Office and address primary issues. Staff office with full-time detailees from Federal agencies with major rsponsibility for providing or utilizing disaster information (Departments of Interior, Commerce, Defense, and State, FEMA, and the DCI Environmental Program) and with part-time liaison staff from other concerned agencies including the NSF, NASA, EPA, and USDA. Develop an integrated approach within Federal agencies for providing all types of information relevant to disasters in forms most useful to the users such as emergency managers and business and community leaders concerned with building disaster resilient communities. Foster policies and procedures that assure timely access to relevant data from all sources. Implement a public-private partnership that involves representatives of all stake-holders in the specification and implementation of the Disaster Information Network. Convene working groups of all stake-holders to develop ways to organize and search for information, standardize and harmonize data and information, visualize and combine data, provide reliable dissemination during disasters, specify and assure data quality, and handle sensitive information.

—$3 million. Implement pilot demonstrations of how the Disaster Information Network can be used effectively to reduce disaster losses and develop prototype training and outreach efforts.

—$3 million. Adapt, integrate, and leverage new information technologies to enhance the quality and reliability of the Disaster Information Network and software tools that help decisionmakers access and integrate the data and information to make decisions critical for reducing disaster losses.

—$4 million. Assure reliable operation during emergencies by connecting key providers and users through existing Federal intranets and implementing alternative dissemination strategies using such technologies as satellite broadcast.

Question. The $5 million for equipment upgrades points to a larger issue GS faces in its need to keep pace with technological advances that have produced new tools with enhanced capabilities. Is the Department looking at these potential requirements of GS? Is there a comprehensive plan for periodically updating systems independent of any new initiative proposed by the agency?

Answer. Many of the monitoring networks that the GS depends on are becoming outmoded because they have not been upgraded for decades. The USGS and the De-

partment are looking at options for future budgets to provide for enhanced infrastructure.

DRUG REGISTRATION PARTNERSHIP

The Biological Resources Division has proposed to save $899,000 by withdrawing from the agreement it has with 37 States to conduct research aimed at developing safe and effective FDA-approved drugs required for use in Federal, State, and private fish culture operations. GS has acknowledged that the program will be terminated if its support is withdrawn, although work is far from completed at this time.

Question. The original agreement called for a 5-year commitment terminating at the end of fiscal year 1999. As the lead agency responsible for conducting the research at one of its own labs, why doesn't GS feel obligated to honor the terms of the agreement it made with the States?

Answer. The USGS has honored the terms of the agreement it made with the States for development of FDA-approved drugs for fish culture operations. As a partner in this effort, USGS' Biological Resources Division (BRD), budgeted funding starting in fiscal year 1994 for drug and chemical registration as a 5-year program. For fiscal year 1994–1998, BRD continued support for the program in partnership with the States and has successfully registered some of the therapeutic drugs.

In developing the fiscal year 1999 budget, this program was proposed for reduction as the 5-year program was slated to end. After completing the budget, the BRD became aware of additional research needed to meet FDA requirements to complete registration of all the required drugs. Additionally, the original scope of work for a 5-year program anticipated $1 million in contributions annually from the 50 States. Actual contributions have not met this target, thereby slowing the process for completing the work and extending the timeframe needed for drug approvals. Another factor contributing to this delay in drug and chemical registration, has been cooperator-approved changes to the original scope of work after the project began (e.g., a better anesthetic came on the market and was substituted for the one on which work already had been done). Additionally, modifications to the original data requirements for other drugs in the study were made after the project began.

Question. States have invested a total of over $700,000 annually for work in large part not complete at this time. Does GS plan to reimburse the States for dollars expended on products not delivered?

Answer. No. The USGS does not plan to reimburse the states because all parties are committed to seeing the goals of this unique cooperative agreement achieved in full measure. Substantial progress already has been achieved in the IAFWA Project. For example, FDA has approved the use of formalin for the treatment of parasites on fish, hydrogen peroxide for use as a fungicide, and copper sulfate as an external microbicide. However, completing the full scope of work on all eight priority drugs will require an additional three years of effort. The extension is needed because the original scope of work was based on an expected contribution of $1 million annually from USGS and $1 million annually from the 50 states. Actual contributions fell far below those originally envisioned, with $760,000 annually from the federal government and approximately $500,000 to $740,000 annually from the states. Moreover, changes in the original scope of work have been required as data were reviewed by the Food and Drug Administration and new drugs came on the market. Recognizing the need for additional time and funding, the 30 states present at the IAFWA Inland Fisheries Committee meeting in September 1997 agreed to support a three-year extension to the project.

Question. Many State fish and wildlife agencies have expressed concern over the BRD's proposal to terminate this project. Some have suggested that the Federal agreement be fulfilled by appropriating resources to the U.S. Fish and Wildlife Service for contract with another lab capable of completing the work. Since GS has demonstrated a serious lack of commitment to the program, should this alternative be explored?

Answer. USGS remains committed to the program. The leadership for the IAFWA Project should remain with BRD in order to provide continuity and efficient use of appropriations. BRD facilities for conducting the laboratory studies and clinical field trials are among the only ones of their kind in the Nation. Transferring the project to a contract-basis managed by FWS would be significantly more costly, in both time and money.

GENERAL STATEMENT

Question. In the General Statement you propose to make development of monitoring tools to evaluate Habitat Conservation Plans a major focus area. What kinds

of tools do you envision in this effort? Aren't there many tools already available for this?

Answer. The USGS proposes three approaches: (1) providing more information on a landscape scale which encompasses assemblages of species; (2) developing decision support systemstools such as expert computer systems or geographic information systems that allow managers to easily access information needed for decisions; and (3) employing adaptive resource managementa process by which researchers and managers work together to measure the effectiveness of management strategies and then alter those strategies if the desired response is not observed. It is with respect to the latter item (adaptive management) that specific projects will be designed to evaluate Habitat Conservation Plans in close partnership with FWS, NPS, and State conservation agencies in California and Hawaii. Migratory bird management is at the leading edge of adaptive management initiatives. Research conducted by USGS scientists will strengthen new management initiatives of the FWS in monitoring migratory birds using wetlands and grasslands on Refuges in the Northern Great Plains and Alaska.

Land managers in our partner bureaus do not have the tools needed to implement management strategies that are ecologically and habitat-based, and have requested that the USGS develop them. The USGS has responded to this need with a proposed budget increase that supports the goal of providing information on the biology and ecology of species at risk of highest concern to resource managers. The proposed increase will support development of decision support systems related to threatened biological communities of southwestern and southeastern ecosystems, identification of landscape features important to biological communities in grassland ecosystems, and development of monitoring programs to determine the effectiveness of habitat conservation measures.

Question. Please describe in more detail the kinds of information that would be included in "Aquatic Gap Analysis." Why were southeastern aquatic habitats selected for the initial focus? Would this be a result of existing resources available there suggesting this to be the most cost effective area for focus?

Answer. The information developed in Aquatic Gap Analysis will answer these basic questions: How are important aquatic biological resources distributed across the landscape? What types of aquatic habitats and species are found in a particular area? Are these resources being most effectively managed?

Are there gaps in our knowledge that significantly limit our ability to manage aquatic biological resources? Is there some watershed activity that is impacting particularly valuable aquatic habitats.

The information that will be displayed in the aquatic gap products includes:

—GIS mapping and documentation of land cover compatible with terrestial GAP;
—A nationally standardized depiction of streams and rivers and watershed boundaries;
—Incorporated National Wetlands Inventory digital mapping;
—Distribution of aquatic species—fish, freshwater mussels, other invertebrate species;
—Amphibians, aquatic vascular plants, aquatic mammals, waterfowl and wading birds;
—Water management information, such as State or EPA outstanding water designation;
—Soil and water conservation district plans, Forest Service or other Federal agency;
—Management plans, etc.; and
—Habitat quality data.

This information displayed geospatially will assist land and water managers in their management and stewardship activities. Portions of this information have already been developed through terrestrial Gap Analysis.

The southeast was selected primarily because it has the greatest diversity of aquatic species in the Nation. This quality, however, also makes it the area with the greatest number of extinctions as well as endangered and threatened aquatic species. The data available varies widely among the southeastern States; those with the best existing information resources offer the opportunity of the most efficient development of Aquatic Gap Analysis programs. However, those States with aquatic resources and with significant gaps in their knowledge base may have the greatest need for Aquatic Gap Analysis.

CLEAN WATER AND WATERSHED RESTORATION INITIATIVE

Question. How will activities under the President's Clean Water Initiative be coordinated with other Federal agencies to ensure cost effectiveness and avoid duplication of efforts?

Answer. The Clean Water Action Plan was conceived and developed as a collaborative project among a number of Federal agencies, to build on their existing watershed assessment and management programs in a coordinated manner. A Federal Interagency Steering Committee, with representation at the Assistant Bureau Chief level, was established to oversee the coordination. This Committee currently meets two to three times each month. In addition, 11 interagency topical work groups were set up during development of the Plan to integrate activities from the various agencies. Implementation of the Plan is being overseen by another set of 11 interagency work groups. Each of the work groups has responsibility for a certain group of key actions from the Plan. In addition, several of the Departments have their own interagency coordinating committees for the Plan. At the State level and Regional level, seven regional meetings are being held during April-May 1998 to familiarize regional and local Federal officials with the Plan. State-level implementation teams will involve coordination of multiple Federal agencies.

Question. What is the proposed Federal/public interface for dealing with watershed councils? How will this be funded?

Answer. Chapter III of the Clean Water Action Plan lists the following key actions to support watershed councils:

Beginning in fiscal year 1999, Federal agencies will coordinate with States and Tribes to provide small grants to enable organizations to build watershed partnerships and advance watershed restoration efforts.

To support local organizations and citizens in locally based watershed protection efforts, and to encourage the organization of such groups nationwide, the U.S. Environmental Protection Agency (USEPA), U.S. Department of Agriculture (USDA), Department of the Interior (DOI), National Oceanic and Atmospheric Administration (NOAA), and other Federal agencies will increase information and technical assistance available to these groups.

USEPA, USDA, DOI, NOAA, and other Federal agencies will work with the present sponsors of the national watershed awards to review options for broadening and expanding the awards program, including a watershed award in each State and awards for innovative solutions to specific problems.

The Secretaries of the Departments of Agriculture, Interior, Commerce, and Defense, and the Administrator of USEPA, in cooperation with States and Tribes, will convene a National Watershed Forum to coordinate watershed assessment, restoration, and protection.

By July 1999, Federal agencies will use Watershed Assistance Grants or other appropriate means to support local watershed coordinators and will identify agency staff who can help coordinate Federal programs for watershed restoration and protection.

In addition to these specific key actions, watershed councils are likely to be represented on State implementation teams for the Plan.

Question. You state that the Federal-State Cooperative Water Program will be used to operate and monitor programs, pollution sources, etc. and that a $16.5 million increase is necessary. What was the previous function of this program? How will this new focus affect previous activities?

Answer. For fiscal year 1999, USGS is requesting $23.5 million for the Clean Water Initiative and the Water Quality Information Initiative. These funds are requested in a variety of programs to fund a variety of activities:

Funds requested for the clean water initiative and the water quality information initiative

	Millions
National Water-Quality Assessment (NAWQA) Program	$6.0
Hydrologic Networks and Analysis Program	3.5
Water Information Delivery Program	3.0
Federal-State Cooperative Water Program	4.0
Water Resources Research Act Program	1.0
National Mapping Geographic Research and Applications Program	1.0
Geologic Division Mineral Resources Program	3.0
Biological Resources Division Research and Monitoring Program	2.0

The $4 million requested for the Federal-State Cooperative Water Program (Coop Program) includes $2 million for the Clean Water Initiative and $2 million for the

Water Quality Information Initiative. These funds would support the following activities:

—Increase water-quality monitoring stations; evaluate the relative effects of various pollution sources to determine Total Maximum Daily Loads, as required by the Clean Water Act.

—Provide information about source water protection areas and improve approaches to protecting drinking water sources.

—Target watersheds in NAWQA study areas with follow-up work to better: (1) link agricultural practices and pesticides in ground water; (2) quantify sources of nutrients entering streams; (3) assess impacts of historic land use on water quality; (4) understand relations between water quality and health of aquatic organisms; and (5) evaluate the effectiveness of nonpoint source pollution management practices.

The increase proposed for fiscal year 1999 will not change the function of the Coop Program or affect previous activities. Rather, the increase will expand and enhance the types of data collection efforts and interpretive studies needed to support the two initiatives. By conducting this work through the Coop Program, USGS can effectively partner with State and local water resource agencies in addressing clean water issues important to all levels of government and the public. As with all Coop projects the cooperating agencies will provide at least half the funding; USGS will do most of the work. The result is an effective cost sharing arrangement enabling the use of consistent techniques of data collection, archiving, and analysis so vital to a national resource assessment.

Question. You have been investigating the hypoxic zone in the Gulf of Mexico for a number of years. How much longer do you expect to continue this activity and what products will result?

Answer. USGS investigations have produced a framework for understanding the relationships between nutrient loadings and delivery in the Mississippi River Basin and hypoxia in the Gulf of Mexico. Most of the nutrient load is generated in agricultural watersheds of the Upper Mississippi Basin, and additional inputs occur in the Lower Mississippi River Valley downstream of the Mississippi/Ohio River confluence. It is now suspected that the past loss of flood plain wetlands has reduced the level of nutrients retained in the river system, and has contributed substantially to the transport of nutrients to the Gulf. However, scientific understanding of the source, fate, and transport of nutrients driving Gulf hypoxia is incomplete, and investigations into the role of flood plain wetlands in the removal of nutrients from surface waters within the Mississippi River system are in their infancy.

USGS will continue studies related to Gulf hypoxia as long as there are significant questions concerning the source, within-basin transformation, and transport of water quality constituents driving the problem, and sufficient concern to warrant funding. For fiscal year 1999, USGS proposes initiation of a 5-year investigation to determine the contribution of flood plain wetlands to nutrient reduction in the Mississippi River Basin. The following products will result: (1) information on the retention, transformation, and transport of nutrients in flood plain wetlands; (2) decision-support models for use by river and habitat managers to predict the best hydraulic practices to promote nutrient retention by wetland vegetation; (3) a landscape-level model of interactions between wetland and non-wetland habitats and water quality to evaluate the acreage, relative location, and type of habitat necessary to achieve desired nutrient reduction loads.

Question. Will information gathered in this study be relevant or useful in addressing the over enrichment problems in Chesapeake Bay?

Answer. The primary cause of nutrient enrichment problems in both the Chesapeake Bay and the Gulf of Mexico is nonpoint source inputs from the surrounding watersheds. Consequently, information generated within the Mississippi River Basin on nutrient source, retention, transformation, and transport will be extremely relevant and useful in addressing similar concerns within the Chesapeake Bay. In particular, the increase in fundamental understanding of these processes generated by USGS studies on Gulf hypoxia will be directly transferable to the Chesapeake Bay. In addition, the models and decision support systems that will be generated for the Mississippi River Basin can be adapted to Chesapeake Bay watersheds for use by local managers.

CONTINUING PROGRAMS

Question. How long has USGS been investigating endocrine disrupting synthetic compounds? How are the compounds selected for testing? What effects have been documented? How have the data been used?

Answer. Because DDT is a classical endocrine disrupting compound, the USGS and its precursor organizations have been working on these compounds for over 50 years. While the concept of endocrine disruptors is relatively new compared to the toxicological history of DDT, it establishes a basic premise of our contaminant research—there is not a focus on any particular mode of action, such as endocrine disruption, but more on the ability of a compound to affect fish and wildlife resources. The recent emphasis on endocrine disruption, and a fiscal year 1998 funding increase, has allowed us focus on some of the endpoints and measurements associated with the endocrine disruption mode of contaminant action.

We do not particularly select compounds for testing. Much of the work done is field based where the health of wildlife in a contaminated environment is examined, or a known health problem in a species is investigated to see if contaminants are a probable cause. In these cases there are usually multiple compounds involved. In laboratory testing scientists use a compound that is known to cause an effect, these positive controls assure that the experimentation is sensitive. For example, in developing a model to test the effects of potential endocrine disrupting compounds on fish development, a compound such as DDT which has estrogenic properties, would be tested in validating the model.

Definitive evidence of effects caused by endocrine disruptors has been limited. USGS scientists have documented physical anomalies in reproductive tissues of river otters and fish. Observations of altered reproductive hormones and the presence of the female egg protein (vitellogenin) in male fish have also been made. Neither the cause of these anomalies, nor the ramifications to any population have been identified. Reduced reproductive success of several species of birds, mammals, and fish have been documented that correlate with exposure to endocrine disrupting compounds, but specific compounds and mechanisms have yet to be determined.

Based on the results from these initial investigations USGS helped identify physiological tests that may be useful for identifying endocrine disrupting compounds, and highlighted geographic areas where the risk of problems from these compounds is high.

Question. Many of your fisheries projects (Salton Sea, Southwest strategy) involve extensive interaction with other Federal agencies. How are the needs of other agencies identified, prioritized, and selected by USGS? Are the Federal agencies satisfied with the process and satisfied their needs are being met?

Answer. The USGS currently uses several approaches to identify, prioritize, and address science information needs. Biological information needs are addressed through the Bureau Information Needs process which compiles information needs from annual regional meetings with Interior partner bureaus. To the degree that funding is available research efforts are directed based on these identified information needs. In addition, other Federal agencies contract with us for research support through cost-reimbursable agreements. Geologic needs are addressed through coordination and consultation mechanisms to identify the priority needs of its constituents which include Department partner bureaus and others. Mapping needs are addressed through the role of the USGS as chair of the Interior Geographic Data Committee's Base Mapping Working Group, which coordinates the identification and collection of digital geospatial base data requirement among Interior bureaus through the Department High Priority Digital Base Data Program. Priority water information needs are identified via the Water Resources Investigations Cost-Share Program conducted with Department Bureaus and others.

The processes by which the USGS meets customers needs continues to evolve, as they should, to be more responsive to customer needs. As an indication of the responsiveness of the USGS, Federal agencies are satisfied with the performance of the USGS in meeting their needs. For example as shown in the USGS' "Report to Our Customers" covering fiscal year 1997, 98 percent of the customers surveyed indicated they were very satisfied with the biological resources program products addressing research on management needs and technical assistance. Similar endorsements are also provided by customers whose information needs are addressed by the other USGS disciplines.

Question. Toxic algae-How does the work investigating environmental conditions contributing to toxic algae blooms correspond/intersect with EPA's EMAP (Environmental Monitoring and Assessment Program)?

Answer. USEPA's EMAP program focuses on the condition of estuaries as evidenced by water-quality and ecological monitoring within the estuary. Much of the USGS work on environmental conditions contributing to toxic algal blooms focuses on conditions in the watersheds upstream from the estuaries, as evidenced by land-use factors and water-quality monitoring and modeling in rivers and their watersheds. For example, the USGS SPARROW (SPAtially-Referenced Regressions On Watershed attributes) model used thousands of historic water-quality analyses,

streamflow data, time-of-travel data, and watershed characteristics to simulate the source, occurrence, and transport of nutrients that contribute to algal blooms downstream.

BIOLOGICAL RESEARCH

Question. Besides continually documenting the spread of zebra mussels, what purpose does this research serve? Have any useful control strategies been developed? How much money has been spent on zebra mussel research?

Answer. USGS research is part of a coordinated effort involving Federal and state agencies, universities, affected industries, and Canadian agencies to assess pathways for the spread of zebra mussels, monitor existing populations, develop control methods, and reduce the ecological damage and economic costs of zebra mussel invasions. USGS contributions (see below highlights) focus on understanding the ecology of zebra mussels, including competition with native species, in order to identify characteristics useful in developing approaches for preventing the establishment of new populations, including the spread to the western states, and lessening ecological impacts. To date, effective controls for zebra mussels have been developed only in association with engineered structures such as water intakes and hatchery raceways. Although much is now known about the complex factors influencing the spread of zebra mussels, no physical, chemical, or biological control, or combination of methods, has yet been discovered that is effective and economical for use in the environment. In addition to the research efforts, the USGS also provides documentation on the distribution and spread of zebra mussels through the Nonindigenous Aquatic Nuisance Species Database, which is a widely used source of reliable data and information on invasive aquatic organisms.

The annual research budget (through the transfer of research programs from FWS to the National Biological Service and ultimately to USGS) has remained at about $2 million, with the largest programs conducted by the Great Lakes (GLSC), Upper Mississippi (UMSC), and Florida-Caribbean (FCSC) Science Centers, and the Environmental Management Technical Center (EMTC).

Question. In the recent accomplishments section of Biological Research and last year's budget justification you describe findings of mercury in tissues of fish and wildlife. However, in the program decrease section of Water Resources Assessments and Research, Toxic Substances, mercury studies are slated for a program decrease with justification that it would be a new start. Please explain.

Answer. The mercury study affected by the proposed reduction in the Toxic Substances Hydrology Program is a separate effort from the work described in the Biological Research Activity. The USGS/Biological Resources Division research on mercury in tissues studies is an ongoing program based on previous BRD research determining conditions under which environmental mercury becomes bioavailable and toxic. BRD research and monitoring indicates that when mercury becomes bioavailable, it can become bioaccumulated, as it has in national parks and refuges in the Northeast, Florida, and the Great Lakes. Elevated levels of mercury are found in fish and wildlife tissues of species where mercury has become bioavailable, and is especially concentrated at the tops of the food chains.

Work described in the budget justification under the Water Resources Investigations Activity would be a separate effort with a different slant. In recent years, USGS has recognized increased public concern for effects on fish, wildlife, and human health from environmental mercury contamination, and has acknowledged that contamination of aquatic ecosystems by mercury is an important and complex global problem. In July 1996, USGS sponsored a multi-agency workshop to transfer information and technology, to identify data and information gaps, and to identify specific areas of investigation. Since then, USGS scientists investigating the geology, chemistry, and biology of this problem have been coordinating with others to design a comprehensive investigation of mercury contamination of aquatic ecosystems that will provide scientific information to fill current critical information gaps. USEPA recently released a comprehensive review of the mercury contamination problem that identified priority research needs. The USGS investigation being designed as part of the Toxic Substances Hydrology Program will address an important subset of these needs.

Approximately $90,000 has been invested in information reconnaissance, interagency coordination, and planning each in fiscal year 1997 and fiscal year 1998. USGS will complete the design of this investigation in fiscal year 1999, as planned. However, the need to limit spending requires us to either stop research that is in progress before its planned completion or to postpone starting new studies. We believe that the latter is more prudent. The planned mercury assessment is certainly important, and as other projects within the Toxic Substances Hydrology Program

come to a close and free up program resources, it is likely that we will begin the planned mercury assessment. When it is finished, the regional assessment will provide information on the occurrence of mercury in water sediment and fish in a broad range of representative ecosystems, and will provide focused investigations.

Question. Please provide specific details on the programs and activities that are proposed for decreases in Biological Research and Monitoring (−1.37M). Broad based cuts. Answer: The across-the-board reduction impacts all activities funded in the Research and Monitoring subactivity. Given a constrained funding environment, these reductions were necessary in order to provide the flexibility to address other high priority needs of more immediate concern. Specific impacts at each of the major research centers include the following:

National and Regional Programs (−$482,000).—This will result in reduced support to the National Park Service for the study of fisheries nursery habitat in the San Juan and Colorado Rivers; support to the Fish and Wildlife Service for the Black Duck Joint Venture; support to the Bureau of Land Management for the development of wildhorse immunocontraception techniques; and a study of predation-caused population declines among Hawaiian forest bird species. Reductions to the maintenance of facilities will delay the completion of repairs to facilities and equipment, which are needed to ensure employee and public safety. A reduction to the operational budget of the research centers will result in greater reductions to science programs, as there are certain fixed costs that have to be paid such as utility bills, telephone costs, workers compensation, postage, etc.

Western Fisheries Research Center, Seattle, Washington (−$30,000).—Reduced genetic fish stock examination, wetlab trials in support of National Fish Hatcheries, and research on aquatic epizootics.

Alaska Science Center, Anchorage, Alaska (−$64,000).—Reduced the development and application of inventory and monitoring protocols in National Parks in Alaska, the science program at the Bering Land Bridge National Preserve, and large mammal and predator/prey research on National Wildlife Refuges.

Pacific Islands Ecological Research Center, Honolulu, Hawaii (−$29,000).—Reduced cooperative efforts with NPS, FWS, State and private entities for the recovery of imperiled species on Hawaiian National Wildlife Refuges.

California Science Center, Davis, California (*−$54,000).*—Reduced support for recovery of imperiled species in California, Nevada, Arizona and Utah.

Forest and Rangeland Ecosystem Science Center, Corvallis, Oregon (−$76,000).—Reduced protocol development for Northwest Forest Plan Effectiveness Monitoring and rangeland management and restoration needs on BLM lands.

Midcontinent Ecological Science Center, Fort Collins, Colorado (−$94,000).—Reduced research on terrestrial habitat models used by land managers to develop mitigation and management plans.

Northern Prairie Wildlife Research Center, Jamestown, North Dakota (−$33,000).—Reduced research for DOI bureaus on management of predator populations and best management practices for migratory birds.

Environmental and Contaminants Research Center, Columbia, Missouri (−$64,000).—Reduced research on causes of environmental degradation in the Lower Rio Grande River.

National Wetlands Research Center, Lafayette, Louisiana (−$56,000).—Reduced research on the importance of fresh and saline wetlands for migratory birds.

Florida Caribbean Science Center, Gainesville, Florida (−$39,000).—Reduced studies of the life history and habitat requirements of Gulf sturgeon.

Upper Mississippi Science Center. LaCrosse, Wisconsin (−$35,000).—Reduced ecological studies of imperiled species and habitats in the Upper Mississippi River basin.

Leetown Science Center, Leetown, West Virginia (−$79,000).—Reduced ongoing evaluation of freshwater mussels in Appalachian streams.

National Wildlife Health Center, Madison, Wisconsin (−$30,000).—Reduced work in support of DOI bureaus including wildlife health disease research.

Patuxent Wildlife Research Center, Laurel, Maryland (−$137,000).—Reduced research on coastal habitat requirements to restore Atlantic coast populations of black ducks.

Great Lakes Science Center, Ann Arbor, Michigan (−$68,000).—Reduced research and populations assessment of Great Lakes lake trout.

Question. Given the apparent increase in fish and wildlife mortality occurring in many areas of the U.S. (e.g., whirling disease, Salton Sea fish and bird kills, Pfiesteria, eagles, coots), what is the USGS doing to determine the causes of these outbreaks and what research is being conducted on understanding factors that control fish and wildlife diseases?

Answer. The USGS has research programs addressing fish and wildlife health problems underway at two fisheries laboratories and one wildlife center. The geographic scope, environmental complexity, biological impact, and economic consequences of fish and wildlife diseases are enormous. The following are but a few examples of USGS' fish and wildlife disease research efforts:

Whirling Disease.—The USGS' Western Fisheries Research Center (Seattle) is engaged in cooperative research on whirling disease with scientists at its Leetown Science Center (Leetown, WV) and the University of California, Davis. Whirling disease on a national scope is a re-emerging problem, particularly in the West. Current research is directed toward breaking the life cycle of this parasite. Both molecular and conventional methodologies are being used in ongoing research directed toward understanding the mechanisms of disease pathogenesis. Except for small portions of Principal Investigator salary and some technician time, all of this project ($300,000 per year) is funded by the U.S. Fish and Wildlife Service. When this project ends (1999), essentially no USGS money will be available to support this work.

Salton Sea.—Over the last five years the Salton Sea has been the site of several major die-offs. Disease problems in birds have included avian cholera, Newcastle disease, avian botulism and undiagnosed mortality in eared grebes. The USGS has conducted field and laboratory investigations of the many disease outbreaks occurring at the Salton Sea. These studies have been brief and in response to specific disease events rather than comprehensive research studies because of lack of funding specific for the Salton Sea.

In January 1998, a new outbreak of bird diseases killed more than 5,600 birds at the Salton Sea. The USGS diagnosed avian cholera, a bacterial infection, as the killer of more than 1,800 ducks and geese. More recently, USGS isolated and identified Newcastle's Disease virus as the suspected cause of death in an estimated 1,600 double-crested cormorants taken from the Sea during a die-off. Certain forms of Newcastle's Disease are highly pathogenic to poultry and could pose a significant economic threat to Southern California's poultry industry. USGS and FWS personnel are cooperating with other Federal, State, and local agencies to identify the cause of the mortality and initiate containment procedures.

With respect to fish die-offs and disease outbreaks in the Salton Sea, USGS spends the majority of its efforts to help ameliorate disease problems rather than in more basic research to increase understanding of the causes of disease. The Western Fisheries Research Center (Seattle) did the initial investigation of the Salton Sea fish kills. In fiscal year 1998, this Center is cooperating with the USGS' National Wildlife Health Center (Madison—NWHC) on a 1-year project to examine the role of Vibrios spp. (a type of bacteria) in some of the massive fish mortalities and its possible link to the occurrence of avian botulism at the Salton Sea.

Dr. Milton Friend, formerly Director of the NWHC, has been named to serve as Chairman of the Salton Sea Science Subcommittee. The Subcommittee, with representation from 14 different federal, state, local and tribal organizations, will provide the scientific evaluations and recommendations needed to help restore the health of the troubled Salton Sea ecosystem. The fiscal year 1999 budget requests $500,000 for Salton Sea to conduct research to understand the ecology of disease causing agents for fish and wildlife in the Salton Sea including avian botulism. Studies will investigate the causes of mass mortality among fishes and responses of birds and native vegetation to biological and physical disturbances.

Pfiesteria.—As part of its Chesapeake Bay Ecosystem Program, USGS has begun investigations to determine factors contributing to fish lesions in the Chesapeake Bay. USGS studies will: characterize the types and causes of fish lesions; evaluate fish health with a variety of physiological, histological, and immunological techniques; and assess possible linkages of fish health problems to land use, history, and water quality.

Eagle and Coot Deaths.—The USGS provides considerable technical and diagnostic assistance in response to the major mortality occurring in bald eagles and coots in Arkansas, and recently discovered in North Carolina and Georgia. The disease apparently affects the brain and nervous system by creating holes in the myelin layers that insulate the nerve bundles. Myelin coats the nerve bundles much like the plastic coating around electrical wire, and when the coating is damaged it can short-circuit the nervous system. Despite the exhaustive efforts of federal, state and private-sector scientists, the cause or source of the disease remains a mystery. Field investigations led by the USGS' NWHC are under way, and scientists are hoping that clues from the new locations will help to reveal the cause of the disease. The public is being urged to report observations of sick or dead eagles or coots to the NWHC.

Question. Critics of fish hatcheries are saying a major problem is that hatcheries produce fish that are not equivalent to their wild counterparts, in terms of genetics, behavior, and disease. What research is the USGS doing to help hatchery managers produce fish that can be used to supplement natural stocks without harm—particularly imperiled or listed populations?

Answer. USGS is engaged in research to address this issue. The Western Fisheries Research Center (WFRC) in Seattle evaluates the costs and benefits of using alternative sources of broodstock—other than traditional domesticated strains—for supplementation. Specifically, the study tests for genetic differences in the growth, survival, and reproductive success of hatchery and wild steelhead and of hatchery and wild spring chinook salmon in both natural streams and hatcheries. Other research helps guide hatchery managers in identification of hatchery practices that produce juvenile salmonids that are more like the wild fish and can be used to supplement wild stocks that are declining or listed.

Scientists at the Leetown Science Center are determining the effectiveness of alkalinity on the survival, growth, and physiological condition of Atlantic salmon. Low pH, coupled with high aluminum ion concentrations in low alkalinity waters are suspected as causes of mass mortality of fry at the hatchery. Atlantic salmon are an imperiled species currently being restored through a joint Conservation Plan administered by the State of Maine, the Fish and Wildlife Service, and the National Marine Fisheries Service. Researchers are also investigating the genetics of several imperiled, declining, threatened or endangered species for broodstock development at national fish hatcheries including the shortnose sturgeon, an endangered species, and the Atlantic sturgeon, a species recently proposed for listing under the Endangered Species Act. A considerable body of genetics research is now available for the imperiled Atlantic salmon. Scientists at the Conte Anadromous Fisheries Laboratory in Massachusetts are working in partnerships with hatcheries on the Connecticut River and in Maine to develop river-specific broodstocks that maximize variability in declining populations of this species.

Scientists at Leetown are determining the effectiveness of raising sterile, triploid Atlantic salmon for use by the commercial aquaculture industry in Maine. The use of sterile fish in aquaculture has been recommended as an alternative to rearing genetically distinct salmon of European origin in Maine waters. Production characteristics of two sterile hatchery stocks reared in the lab and at a commercial aquaculture facility in Maine are being compared. Disease research at Leetown is developing improved ways for monitoring the presence of pathogens in Atlantic salmon and Atlantic sturgeon to reduce the chances of spreading disease organisms in the wild. Treatments of returning sea run Atlantic salmon have been improved that will help reduce mortality of these adults until gametes can be taken for restoration efforts. A recent CD–ROM produced by USGS researchers in Wellsboro, PA provides genetic and performance characteristics of various strains of rainbow trout to assist hatchery managers in selecting appropriate fish for stocking.

Question. The decline and listing of salmon in Washington, Oregon, Idaho, and California is of concern to the Nation. What research is the USGS doing to assist in the recovery efforts? What work is the USGS funding in the Columbia Basin on this issue?

Answer. USGS scientists at the Western Fisheries Research Center, Seattle, Washington are conducting research to address declining populations of Pacific salmonids. The Center's Fish Health research group is helping managers of both hatcheries and wild stocks address disease concerns such as bacterial kidney disease, viral hemorrhagic septicemia, infectious hematopoietic necrosis, and whirling disease. Genetic studies help fisheries managers distinguish stocks of concern and help in captive breeding of listed species. Research directed at improving salmon habitat includes assessment of toxic threats posed by heavy metal contamination from acid mine drainage and by agrochemicals. The U.S. Fish and Wildlife Service is our primary partner in these studies.

There are a number of studies and data collection activities that USGS is conducting to support information needs of agencies addressing salmon restoration in the Pacific Northwest. In the lower Columbia River, USGS is measuring total dissolved gas saturation, an important indicator for fish survival. Also, in Washington State on the Elwha River, USGS has recently completed a study related to the possible restoration of salmon habitat through the removal of two dams. The Elwha River study used GIS and digital elevation models to determine river reaches that would be assessable to salmon, and also evaluated the impact of restored runs on nutrient dynamics in the river. Ongoing steelhead research on the Wind River (a tributary of the Columbia River) is examining whether steelhead fry and parr must grow to a critical size during summer to survive harsh winter conditions. A bioenergetics

model will be developed using the results to help managers better assess the effects of future human impacts and the effectiveness of alternative management actions.

In addition to these studies, USGS produces data on: (1) river flows or stream gaging, (2) temperature and dissolved oxygen, and (3) land-use which can be related to river habitat information. All of these data can be useful in determining requirements for salmon population restoration. Also, USGS scientists provide technical and scientific assistance to Department of Interior bureaus, tribal and state fisheries agencies, and non-DOI bureaus such as the Bonneville Power Administration, the Army Corps of Engineers, and the National Marine Fisheries Service. Technical assistance needs range from management of threatened, endangered, and sensitive species, to recreational species and management of major projects (dams) and fish passage facilities. A wide variety of technical fisheries and ecological issues include such topics as fishery-related telemetry and acoustics, laboratory services, salmonid physiology (e.g., gas bubble trauma), alien invasives (e.g., introduced predatory game fish), aquatic invertebrates, and large river ecosystem issues. Substantial funding to address specific issues such as passage at individual dams is provided by the Army Corps of Engineers and Bonneville Power Administration (about $6 million in fiscal year 1998). However, holistic basin-wide fisheries research studies, as requested by our partner agencies to address the larger population decline questions and identify factors limiting reproduction and survival, have not been funded.

Question. How does your budget compare to that of the land and resource management agencies that you support?

Answer. The budget for biological research (BRD) decreased from fiscal year 1994 to fiscal year 1998 by 12 percent. This compares to the average increase of 11 percent for this same time period for the three land and resource management agencies that the research programs primarily support: the National Park Service, U.S. Fish and Wildlife Service, and the Bureau of Land Management.

The fiscal year 1999 budget proposes to begin to bridge the gap in funding for science support for DOI bureaus. The budget requests increases of $11 million for research programs to address issues that are a high priority to DOI bureaus. If the fiscal year 1999 President's budget is enacted, the change in funding from fiscal year 1994 is a decline of 4 percent as compared to the average increase during this same time period for the land and resource management bureaus of 21 percent.

Question. How does this compare with private industry investments in research?

Answer. A conservative or minimum estimate of what most corporations spend on research and development is 10 percent of the total business. Using this as the goal, the BRD budget would be $265.7 million for fiscal year 1998 instead of $145 million. The enacted appropriation for biological research (BRD) is 5.5 percent of the operational portions of the budgets for the three land and resource management agencies: the National Park Service, U.S. Fish and Wildlife Service, and the Bureau of Land Management.

Question. Are the research needs of the land and resource agencies being met?

Answer. Through effective resource management, the USGS/BRD has ensured that the land management bureaus' highest priority research needs are met despite the budget reductions in fiscal year 1995 and fiscal year 1996. There is substantial evidence that USGS/BRD scientists have been able to mobilize greater scientific resources in support of land managers, especially the Bureau of Land Management and the National Park Service, than these managers were getting prior to the formation of NBS. Furthermore, there is evidence that USGS/BRD scientists are doing a better job of focusing their remaining research capability on the high priority resource management issues through a concerted effort at all levels to coordinate, cooperate, and collaborate with the parent bureaus. Nevertheless, the increasing responsibilities and complex challenges confronting our land managers continue to increase their demand for science support. The fiscal year 1999 USGS budget request seeks to address this need with the proposed $11 million increase for species and habitat research.

FACILITIES MAINTENANCE

Question. What is the deferred maintenance backlog for Biological Resources Division facilities?

Answer. The deferred maintenance listing for the U.S. Geological Survey's Biological Resources Division (BRD) is $35 million, which is part of the $58 million listing of deferred maintenance projects identified for the U.S. Geological Survey in December, 1997. The $58 million listing includes a comprehensive inventory of projects for BRD, and a preliminary inventory of the deferred maintenance needs for the other divisions in USGS. The USGS is in the process of generating a comprehensive listing of deferred maintenance projects for the entire bureau.

Question. Is funding included in the budget adequate to address maintenance needs?

Answer. The fiscal year 1999 budget request for Biological Research and Monitoring (BRD) includes $2.9 million for annual maintenance, which will enable BRD to address the most urgently needed health and safety repair projects. The budget request includes an additional $1 million to replace incinerators that are in violation of state air quality standards at the National Wildlife Health Center in Madison, Wisconsin. The incinerator project is the number one priority on the bureau-wide listing of deferred maintenance projects.

Prior to BRD-wide rescissions and budget reductions in fiscal year 1995 and fiscal year 1996, the annual budget for maintenance was $5.3 million, which funded annual maintenance requirements, but did not address the deferred maintenance projects. internal and external customer service

Question. Why are overhead costs charged for moving money between Divisions (not the case in interagency agreements)? What is the charge? Is this more than most institutions charge scientific agencies with the Federal Government?

Answer. Effective October 1997, there are no overhead charges by the division transferring funding to another division. Only the division doing the work charges overhead.

Question. Recently many complaints have surfaced from customers developing MOU's, interagency agreements, and research work between their agency and USGS divisions. Previously in BRD, these administrative functions were handled expeditiously. Now, customers complain that there is an exorbitant increase in time it takes for these matters to be handled. Please respond.

Answer. We have not heard any complaints regarding the timeliness of interagency or MOU execution and do not believe a change has occurred. Authority to approve reimbursable agreements continues to be delegated by Division Chiefs to their managers. There is no bureau involvement in this process, and as such, timeliness should not be impacted for BRD customers. There have been no additional requirements imposed by the USGS.

Question. Please explain why assessments charged to BRD by USGS for administration and housing exceed costs incurred for this agency when they were a separate entity. (6.2M)

Answer. Upon the merger of the former National Biological Service and the USGS, agreements were fashioned to ensure that the administrative structure and costs of the merged bureaus would not result in a net loss to the funds available for science. Since the merger of NBS and USGS, bureau-level costs have increased due to the continuing rise in fixed costs such as salaries, Departmental services, and unemployment compensation. The bureau-level costs are paid for by all USGS programs based on a percentage of their total resources. In fiscal year 1996 prior to the merger, BRD's administrative costs were approximately 8.2 percent of their total resources. Currently BRD's administrative costs are estimated to be 8.0 percent of their total resources. BRD was formerly a bureau with no subsidiary divisions or large organizational components. As such, all appropriated funding for administration paid all indirect costs. When BRD joined the USGS, they were required to fund a portion of bureau level costs (which include costs previously paid by BRD when they were a separate Bureau of the U.S. Department of the Interior) in addition to their division level administrative costs. As far as housing (space), each division, including BRD, pays for their own space costs.

OFFICE OF THE INSPECTOR GENERAL

Question. Does your fiscal year 1999 performance plan briefly or by reference to your strategic plan identify any external factors that could influence goal achievement?

Answer. Section 4 of our strategic plan references and synopsizes the external factors that influence our performance goal achievement as follows:

Budget Constraint.—For several years, the Office of Inspector General (OIG) has been subject to severe financial constraints because of a constant erosion of its funding base. This erosion has resulted from a series of unfunded or partially funded pay increases such as "availability" payments to criminal investigators and other uncontrollable costs that the OIG has absorbed over the years. The erosion of funding has created tremendous operational challenges for the OIG because the challenges have occurred notwithstanding ever-increasing statutory demands on our work load.

Legislatively Mandated Work.—Chief Financial Officers (CFO) Act requirements, which are legislatively mandated, have increased steadily since 1993. The personnel-intensive nature of the CFO audits has caused a strain on audit resources, while

the demand for CFO audit work continues to increase, including the implementation of the Federal Financial Management Improvement Act, Federal Accounting Standards Advisory Board Statements No. 6 and No. 8, Office of Management and Budget Bulletin 97–01, and the requirements of the Government Performance and Results Act.

Decentralized Department of the Interior Operations.—The fulfillment of our statutory mandate is extremely difficult given our limited resources (personnel and travel funds) in an agency of nearly 70,000 employees located in approximately 2,000 locations. Because the Departmental offices are highly decentralized, the amount of available OIG staff and travel funds has a significant impact on the number, scope, and types of audits and investigations the OIG can perform.

Technological Advances.—With continually changing technology, the importance of staying up to date is critical but costly.

Negotiation of Indirect Cost Rates.—In addition to our statutory responsibilities, audit resources are used to negotiate indirect cost rates with state, local, and tribal activities for administering Federal programs, which is a program function that reduces the resources available for discretionary performance audits.

Question. If so, what steps have you identified to prepare, anticipate and plan for such influences?

Answer. The OIG has and will continue to take a number of steps to compensate for the external factors identified previously as follows:

The OIG has absorbed/will absorb cost increases and budgetary constraints through a variety of streamlining and cost-cutting measures, including not filling vacancies; reducing or co-locating office space; and reducing equipment maintenance agreements, printing and postage costs, and costs for acquisition services and General Service Administration (GSA) vehicles.

The OIG provides comments on proposed legislation that affects its resources, but once legislation is enacted, the OIG must comply. As a result, resources allocated to discretionary audits (economy and efficiency and program results) of Department of the Interior programs and operations have been/will be reduced to accommodate these mandated requirements.

To compensate for reduced budgets and the decentralized operations of the Department, we have/will reduce the scope of our audits from that of Departmentwide or bureauwide coverage to field office coverage. As such, we will be frequently unable to project audit results nationwide. Instead, we will report the monetary and other impacts for the locations visited. In addition, we will ensure that the staff have updated computer equipment which allows for increased OIG and Departmental regional and bureau intercommunications, and when appropriate, we will take advantage of the teleconference and video conference technology to reduce travel costs.

We attempted to transfer the indirect cost rate negotiation responsibility to the Department in 1989. The Indian tribes strongly disagreed with the transfer of this responsibility and Congress did not appropriate funds for the transfer. The Committee on Appropriations in House Report No. 101–120 recommended that "the function remain with the Inspector General. Staff from the Inspector General's office can carry out this function as part of their other functions." As such, we continue to perform this program function. We have not made subsequent attempts to transfer the function because of the Congressional prohibition, continued tribal opposition to a transfer, and the Ramah/Navajo litigation. In addition, an April 29, 1994 memorandum from the President of the United States requires consultation with all tribes before actions impacting contracting under Public Law 93–638 take place.

Question. What impact might external factors have on your resource estimates?

Answer. Because OIG expenditures are personnel intensive, the absorption of uncontrollable costs necessitated by budgetary constraints has the effect of a reduction-in-force, which impacts our mission accomplishment. The mandated requirements for both audits and investigations have caused resources to be shifted from discretionary or planned reviews. Audit staff have been reviewing the financial statements for all eight bureaus in addition to auditing the Department's consolidated financial statements since 1995, and the requirements for financial audits are steadily increasing. In addition, audit staff have been performing reviews in response to Congressional and Departmental requests. While benefit is gained from these reviews, the number of economy and efficiency and program results audits performed has declined and will continue to decrease as mandated requirements and requests increase.

The Office of Investigations is frequently requested by the Department of Justice to participate in matters involving the alleged underpayment of millions of dollars in oil, gas, and coal royalties and on task forces relating to Indian gaming or to allegations of the misappropriation of Federal and tribal funds. These are areas that

have been determined to be highly susceptible to fraud and could potentially result in a significant loss of revenues to the Department and the tribal organizations. Our investigations in these areas are labor intensive and travel intensive; thus, limited travel funds have a detrimental impact on the number of investigative activities conducted by our agents. Also, the Department's pursuit of state-of-the-art systems results in the OIG having to convert to compatible technology to communicate and operate effectively in conducting reviews of the Department's programs, automated systems, and activities, which is expensive.

Question. For every dollar spent in conducting audit activities that identify cost savings, improve efficiency of Department of the Interior agencies, measure and detect waste, fraud and abuse, how many dollars are saved or recovered as a result of these actions?

Answer. For fiscal years 1995, 1996, and 1997, the Office of Audits made recommendations that identified total savings in excess of $1 billion, or approximately 24 times the OIG audit budget of $42.2 million for those three fiscal years. These savings consisted of $382 million of funds recommended for better use, $548 million of potential additional revenues, and $78 million of questioned and unsupported costs identified by our audits of Department of the Interior contracts. Regarding OIG investigations, we provided assistance that resulted in recoveries of about $3 million in fiscal year 1997.

Since 1990, OIG resources dedicated to mandated audits have been increasing. The number of audits requested by Congress and DOI management has also increased. We have honored these requested audits, subject to resource availability, consistent with the National Performance Review. Thus, the mandatory and requested audits, which have not typically identified monetary savings, have reduced the resources available to conduct discretionary or planned audits, which historically have resulted in significant savings.

The savings and program improvements reported in the semiannual reports are a "snapshot" of OIG activities for that period. As such, all the savings associated with OIG audit activities are not captured because audit recommendations often result in recurring savings, cost avoidances and increased future revenues, which we do not routinely measure and report on except through cyclical followup reviews. For instance, we issued a March 1998 report entitled "Followup of Offshore Minerals Leasing Activities, Minerals Management Service," which showed that implementation of our recommendation in a 1993 report entitled "Offshore Minerals Leasing Activities, Minerals Management Service" generated additional oil and gas lease revenues estimated at $141 million for the Department between 1993 and 1997. We also estimated that implementation of the recommendation would generate another $194 million between 1998 and 2001. Also, although we reported on savings identified at the audit sites we visited, Departmentwide or bureauwide savings resulting from implementation of those recommendations could not be readily determined. Finally, OIG proactive efforts result in cost avoidances rather than measurable savings.

Question. Do any of the Interior agencies have the expertise or capabilities to ensure proper audits and detect waste, fraud and abuse within their own agencies?

Answer. Although two Departmental bureaus have auditors (the Minerals Management Service has 201 auditors and the Office of Surface Mining Reclamation and Enforcement has 41 auditors), we believe there would be a lack of organizational independence that is necessary to conduct "proper audits." The Congress created the Offices of Inspector General to be independent offices within their agencies for the purpose of detecting fraud, waste, and abuse. In addition, the auditors' function in the bureaus has been limited primarily to fee and royalty compliance reviews to detect underpayments of royalties and fees.

Question. As "agents of positive change" in what ways do you guide agencies to remedy problems you identify?

Answer. To guide agencies in remedying identified problems, the Office of Audits (1) makes specific recommendations in our reports to address each identified weakness and performs cyclical followup reviews to assess implementation of the recommendations; (2) participates on task forces and working groups such as the Travel Re-invention Lab, Y2K committees, and the Management Control Council, that are designed to improve Government operations; and (3) responds to requests for advice and assistance, such as implementing new financial statements requirements. We continue to receive and respond to an increasing number of requests from auditees to lend our expertise proactively to various projects, programs, and activities with which the auditees are involved. In that regard, we are providing, or have provided, assistance in a variety of areas, including participating in Indian Self-Determination Act rulemaking, providing oversight of the correction of financial accounting system deficiencies, participating in Departmental reinvention efforts, and

providing an assessment of the Minerals Management Service's Royalty Gas Marketing Pilot Program. Also, our audit followup program allows us to determine how effectively Departmental agencies have implemented our audit recommendations and to provide further guidance on needed improvements in program operations.

The information relating to problems identified during the course of investigations is communicated to agency officials in briefings, management implication memoranda, and reports of investigations. Additionally, we have proactive initiatives to identify programs that may be vulnerable to fraud, waste, or abuse and in many cases have initiated proactive investigations designed to detect fraud in these programs. Some of our proactive initiatives involve the areas of coal reclamation fees, environmental crimes and the government purchase card. We also developed an Outreach Program and an Affirmative Civil Enforcement (ACE) Program which focus on informing and educating Departmental personnel in recognizing and reporting suspected fraudulent activity related to their specific program areas. We have conducted two nationwide conferences on the ACE program, which were attended by Assistant U.S. Attorneys, other Department of Justice staff, OIG staff, and Departmental program personnel, including the Office of the Solicitor. Also, during fiscal year 1997, our special agents made 32 fraud awareness presentations to employees in various program areas within the Department. Further, the OIG has participated and will continue to participate on National Performance Review reinvention teams, such as those for travel, Y2K, human resources strategic planning, and tenant users activities covered by the working capital fund.

Question. Please explain the cost saving measures that led to "less expensive" access to the National Crime Center? Has this changed or compromised your abilities in anyway?

Answer. Until 1995, the OIG had direct access to the Federal Bureau of Investigation's National Crime Information Center (NCIC) through the Department of Justice (DOJ). However, in late 1995, DOJ wanted agencies to use standard equipment which would be leased from the DOJ for approximately $15,000 a year. At that time, the OIG discontinued its direct access with the National Crime Information Center data base. Subsequently, we entered into agreements with both the Rocky Mountain Information Network and the Regional Organized Crime Information Center (ROCIC) to obtain law enforcement data. Our current costs of approximately $250 annually provide us with the ability to continue to obtain law enforcement information without incurring the NCIC costs of approximately $15,000 a year with DOJ. The disadvantage of using these services are that (1) the data bases have less current information than the NCIC database and (2) on occasions, there are delays in the response times to queries.

OFFICE OF THE SOLICITOR

GPRA

Question. To what extent has GPRA been used by agency leadership to guide decision making? Will this use increase in the future and if so in what ways?

Answer. As a support organization within the Department, the Office of the Solicitor's mission is to work to ensure the success of departmental and bureau goals and objectives. The Office provides legal advice to ensure that positions taken by the Department are legally defensible, and it provides legal representation to advance the Department's goals in negotiation, litigation, and other contexts. The Office does not have its own GPRA plan, but it is guided by the bureaus' GPRA plans and discussions with departmental and bureau officials in setting priorities for the Office's legal work. This use of GPRA will continue in the future.

COMPUTER SYSTEM

Question. The OTS requests $520,000 to replace outmoded computer and networking equipment. How much additional cost either in lost productivity, repairs, or additional resources to complete tasks, is associated with outmoded systems, no access to DOINET, and system failures?

Answer. A conservative estimate is that each employee in the Office of the Solicitor loses an average of one to two hours a week due to the Office's outmoded information technology. That lost time translates into a direct salary and benefit cost of $0.8-$1.6 million per year, and the amount is increasing over time. Not included in these figures are more intangible costs such as less complete research and communication to assist decision makers, employee frustration with system limitations and breakdowns, and the lack of computer specialists' time to develop databases and other system enhancements rather than having to work full-time just to keep the system operational.

Particularly in the regional and field offices, system failures typically mean two to three days of "down time" as problems are diagnosed, solutions are decided upon, and replacement equipment is configured, shipped, and installed. If a single workstation fails, one employee will be adversely affected during that period; if network components fail, the entire office will be adversely affected. Unfortunately, such failures are becoming more common as our equipment ages.

Even when the Office's computers and networks are performing to full capacity, productivity is lost in a number of ways. Most of our computers are very slow, with limited memory. As a result, they often have difficulty even with the outmoded (and less demanding) versions of standard software used by the Office, and they cannot process at all the current (and more demanding) versions of software used by some of Interior's bureaus and by organizations outside the Department. Solicitor's Office computers frequently cannot "read" documents being forwarded to Office staff for legal review; and converting the documents to older software typically causes formatting problems that take considerable time to fix.

The lack of DOINET connections means that most Office employees do not have ready access to the growing number of Department-wide administrative systems or the Internet. Thus the many research and transactional opportunities provided through these systems are simply unavailable to most employees. Examples include congressional and other agency Web pages, GSA's procurement system for supplies, and departmental personnel and management systems. In some cases, the Office has to do double data entry for the same transactions (e.g., employee time and attendance reporting), with one person who lacks DOINET access compiling the data for his/her location in one form to send to someone in another location who has DOINET access, and the second person re-entering the same data into a system connected to DOINET.

MICROBES TAKEN FROM YELLOWSTONE NATIONAL PARK

Question. What is the status of the NPS efforts to develop a system to control the use of microbes taken from Yellowstone National Park?

Answer. To date, NPS has entered into a single Cooperative Research and Development Agreement (CRADA) with Diversa Corporation. Under the terms of this CRADA, Diversa will be permitted to collect small quantities of microbial samples for laboratory analysis. If, after replication and testing in the laboratory, any enzymes, elements of genetic code, or other substances derived from Yellowstone microbes prove to be commercially valuable, the NPS will receive royalties from Diversa.

The rights being conveyed under the CRADA with Diversa are not exclusive. Approximately 20 other firms have expressed interest in similar arrangements at Yellowstone, and NPS will consider each research proposal and evaluate the opportunity to enter into a CRADA. In the case of the Diversa CRADA, research contributing to the understanding and preservation of park resources will be conducted and shared with Yellowstone.

NPS has primarily relied on the Federal Technology Transfer Act (FTTA) as legal authority to enter into the Diversa CRADA. We anticipate continuing to use the FTTA as a basis for future agreements. This position is currently under review in federal district court as a result of a lawsuit filed by The Edmonds Institute and others, against the NPS, Edmonds Institute v. Babbitt, Civ. No. 98–0561 (D.D.C. filed March 5, 1998).

Under the direction of the Science Advisor to the Secretary, the Department of the Interior has established a task force to examine issues relating to bioprospecting and technology transfer. Future NPS agreements will reflect any departmental policies that may be developed to govern technology transfer on the various public lands managed by the Secretary.

FILMING ON PRIVATE LANDS

Question. Will the Office of the Solicitor be involved in determining if or how private industry will pay the Federal government for filming on public lands?

Answer. The BLM, through its rulemaking process, determines who pays for filming on lands administered by BLM (public lands), what type of payment is due, when payment is due, how payment is made, and cost recovery requirements (43 CFR Part 2920). The Solicitor's Office provides legal advice to the BLM in the formulation of these regulations. The Solicitor's Office does not get involved in determining if or how payment is due in a specific case unless the BLM seeks legal advice in interpreting or implementing its regulations. No fees are currently assessed for filming on other lands administered by the Department (e.g., Park System units and wildlife refuges). The Department has supported legislation that would author-

ize fees in these cases, and the Solicitor's Office has participated in drafting this legislation.

CLEAN WATER INITIATIVE

Question. What is the OTS role in Vice President Gore's Clean Water Initiative?

Answer. The Solicitor's Office has assisted with the Vice President's Clean Water Action Plan by participating, along with its departmental clients, in various interdepartment workgroups involved in the development and implementation of the Clean Water Action Plan. Such assistance has included advice with respect to the preparation of workgroup papers to assure that such papers are consistent with applicable legal requirements. We anticipate that Solicitor's Office staff will continue to assist the Department through similar efforts on workgroups charged with implementing the Clean Water Action Plan.

Question. The Fish and Wildlife Service Ecological Services program requests an increase of $2.5 million for increased Habitat Conservation Planning in the President's fiscal year 1999 budget. Will any of this increase be allocated to the Solicitor's Office for the increased workload resulting from increased numbers of HCP's?

Answer. No. The President's Budget requests increases totaling $12.6 million for the FWS to more efficiently and effectively implement the Endangered Species consultation program. This includes a general increase of $9.9 million for the FWS consultation program to conduct additional Section 7 consultations and to work on additional Habitat Conservation Plans; $1.5 million to support the Interior Columbia Basin Ecosystem Management Project; $0.5 million to negotiate Tribal Treaty rights; $0.8 million for support for the Southwest Ecosystem Initiative; as well as uncontrollable costs. The President's Budget requests increases totaling $1.8 million for the highest priority needs of the Solicitor's Office. This consists of $1.0 million for uncontrollable costs (primarily mandated pay raises); $0.3 million for critical legal services in the areas of Indian trust fund management and litigation, tribal resource protection and management, Federal oil and gas development and revenue enhancement, and personnel-related matters; as well as $0.5 million to replace obsolete hardware and software for use in automated legal research, Local Area Networks, electronic mail, and document processing.

OFFICE OF INSULAR AFFAIRS

The CNMI government appears to be fully supportive of the present situation regarding the use of non-citizen labor for garment manufacture and other services. In view of the fact that this workforce is almost three times the size of the CNMI population, this seems inconsistent with the best interests of this country. While it is proper to fulfill the terms of the Covenant, this subcommittee is not inclined to provide taxpayer funds for any program or purpose that would tend to support the current situation.

Question. How did we get in this situation?

Answer. In developing their Covenant agreement with the United States, the Northern Marianas negotiators expressed concern that the Federal Immigration and Nationality Act would permit excessive immigration to the islands from neighboring Asian countries that would permanently overwhelm the local culture and community. The Federal government, therefore, agreed to not immediately extend Federal immigration control. Ironically, CNMI policies have resulted in aliens becoming a majority of the island's population. These policies include use of low-wage temporary alien workers for permanent jobs and aggressive promotion of garment manufacturing.

Question. What action is the Department taking to deal with these issues in the Marianas?

Answer. The Department is taking action on three fronts. First, we are working with other Federal agencies to increase the Federal presence in the Northern Mariana Islands to deal with violations of Federal labor, civil rights, and criminal statutes. Second, we are providing technical assistance to the CNMI to improve their capacity to deal with these problems internally and to track and control the movement of alien workers in and out of the Commonwealth. Finally, we are supporting reasonable legislation to deal with the fundamental problems without causing irreparable harm to the CNMI economy.

Question. The Insular Affairs budget proposes to earmark $5 million of the $11 million in Construction funds for a prison in the CNMI. Do you expect the need to make further earmarks in future budgets to assure funds will be properly spent?

Answer. The fiscal year 1999 budget also proposes to earmark $500,000 for a crime laboratory to improve the CNMI's capability to enforce criminal laws. Ear-

marks can be an effective tool to ensure effective use of appropriations, but we are not contemplating any additional earmarks at this time.

Question. What action do you believe this Subcommittee should take to deal with these issues?

Answer. We would like the Subcommittee to support our request to earmark funds for the prison and crime lab. We also would like the Subcommittee to continue supporting the terms of the Special Representatives Agreement for Covenant grants as included in Section 118 of Public Law 104–134. We understand that officials of the CNMI government are seeking exemption from the matching requirement contained in the Agreement and in the law. We would like the Subcommittee to support proposed funding levels for the Office of Insular Affairs and the work it performs, even if its policies may sometimes be unpopular in the insular areas, such as is the current situation with the CNMI. Finally, we would like Members of the Subcommittee to support legislation to correct the problems that currently exist in the CNMI.

Question. Why is the CNMI government taking the current posture relative to reform?

Answer. There are a number of reasons, including the fact that the CNMI is a small community that can be influenced, and possibly manipulated, by a large and economically powerful business, such as the garment industry. We think opponents to reform are using misinformation and playing on themes such as Federal intrusiveness to rally local officials and the public and keep facts from the public and the issues from being objectively assessed and debated.

Question. What is the local unemployment situation in the CNMI?

Answer. The 1995 census registered an unusually high unemployment rate for U.S. citizens of 14.2 percent, more than double the 6.6 percent rate in neighboring Guam and nearly triple the rate in the United States. Over 90 percent of private sector jobs in the CNMI are held by alien workers. This virtually unlimited supply of alien workers drives down wages in the private sector and discourages local citizens from seeking entry-level positions anywhere except government. Although unemployed temporary alien residents are technically illegal, the 1995 census showed 1,167 unemployed temporary residents, and documentation in the CNMI legislature indicated that the true figure of unemployed illegal aliens may be as high as 7,000.

Question. Do you expect the legislation currently being considered by Congress to substantially improve the situation?

Answer. Yes. Experience has shown that the CNMI cannot adequately track and control the large number of alien workers coming into the Commonwealth. This has led to numerous problems including public health problems, human rights abuses, violent crime, drug abuse, prostitution, poor living conditions, and high unemployment. The low minimum wage is a direct cause of high unemployment among young local workers, who are leaving the CNMI for higher paying jobs in Guam or the mainland or are opting for unemployment and food stamps.

Residents of Enewetak state their desire to be independent of the current food support process. To do so, they state a need to purchase and maintain three backhoes in order to improve their ability to develop a local food source.

Question. What action is the Department taking to facilitate improved self sufficiency of the Enewetak people?

Answer. The Department is providing the resources to the people of Enewetak to carry out their long-term plan to increase food production. The Enewetak-Ujelang Local Government Council is implementing its Plan for the Improvement of Food Production on Enewetak Atoll. A recent performance review conducted by the USDA shows that food security from locally grown foods has improved markedly since the plan's adoption.

Question. Based on population growth and the difficulty in developing adequate local agriculture, can it reasonably be expected that the food subsidy program can ever be eliminated?

Answer. The Enewtak-Ujelang plan, initiated in 1993, concluded that self-reliance in food production was a realistic long-term goal, and could be achieved in about ten years. While this goal may not be met by 2003, it is reasonable to expect the subsidy will be eliminated at some time. The review of activities on Enewetak suggests that increased commitment of the community to plan implementation will allow the plan to succeed. Although the population of Enewetak grows at a high rate, its rate is less than that of the Marshall Islands as a whole. The solutions to population growth and agricultural production obstacles are for the Republic of the Marshall Islands government to carry out.

MINERALS MANAGEMENT SERVICE

OFFSHORE LEASING ACTIVITY

The agency leasing program continues to bring increasing bids for offshore resources.

Question. Has this demand for leases been affected by the present reduced prices for oil?

Answer. In early 1998, oil prices fell to levels that had not been reached since the mid-1980's. However, as indicated by industry's response to Central Gulf of Mexico Sale 169 that was held on March 18, 1998, low current oil prices did not appear to inhibit bidding activity or demand for leases. In this sale, a total of 1,188 bids were received on 794 blocks with high bids totaling $810.4 million. This was the fourth largest sale ever held in the Gulf of Mexico in terms of number of tracts receiving bids and number of bids received.

In an auction of rights to explore, develop, and produce Outer Continental Shelf oil resources, production of any discovered hydrocarbon resources does not occur quickly after a sale, but rather with a time-lag of five or ten years or more. Therefore, future price expectations are much more important in determining demand for leases and tract values than the oil price at the time of the sale.

Question. What are the long term projections for continued high interest in offshore oil and gas resources?

Answer. Long term projections are difficult to make accurately, due to the uncertainties regarding future prices, geologic potential, and cost trends.

Oil and gas leases on the Outer Continental Shelf offer the oil and gas industry perhaps the most stable leasing process in the world. Operations on the Outer Continental Shelf are virtually free of political risk. The Government is unlikely to nationalize oil and gas activities. The lease terms and conditions that a lessee receives at the time a lease is issued stay in effect through the life of the lease, as opposed to some countries where the central authority may adjust terms to meet its changing revenue and energy objectives. This factor will be a positive indicator for continued high interest in Outer Continental Shelf oil and gas resources.

The absolute number of tracts leased in future sales is likely to decline because fewer tracts will be available to acquire. However, if the past is an indicator of the future, as leases expire or are relinquished, there is a relatively high probability that the previously leased tracts will be re-acquired when they later become available for leasing. Although the number of tracts receiving bids in Outer Continental Shelf lease sales likely will decline somewhat because fewer tracts are unleased, interest is expected to remain relatively high for bonus projections from future Gulf of Mexico lease sales.

The agency has recently implemented its current five year plan for leasing.

Question. Based on current demand or other reasons, does the agency expect any change in the current five year plan?

Answer. Our current 5-Year Outer Continental Shelf Oil and Gas Leasing Program was approved in November 1996, and includes 16 sales in 7 areas of the Outer Continental Shelf. To date, we have held two sales in the Western and Central Gulf of Mexico, respectively. We have delayed Sale 173, Cook Inlet/Shelikof Strait from late 1999 to 2001. The Department has determined under section 18(e) of the Outer Continental Shelf Lands Act that this delay is an insignificant revision of the 5-Year Program. The delay allowed the Minerals Management Service Alaska Region staff to complete work on the environmental impact statement for assessing the impact of oil and natural gas development in the National Petroleum Reserve-Alaska. The first annual review of the current 5-Year Program is scheduled for July 1998 and is not expected to result in any significant revisions to our current program.

WEST DELTA FIELD

The relationship between the Federal government and the State of Louisiana over the West Delta field continues to be a matter of contention.

Question. What is the present situation regarding the extraction of natural gas from the West Delta Field?

Answer. Both Federal and State lessees are currently producing natural gas and condensate from the West Delta Field. To date, Federal leases have produced 63,551 million cubic feet (MMCF) of gas and 725,071 barrels (Bbls) of condensate. State leases have produced 89,955 million cubic feet (MMCF) of gas and 1,468,134 barrels (Bbls) of condensate.

Question. The State of Louisiana is requesting a $32 million allocation to repay what it contends is the amount owed, with interest, for the drainage of natural gas from the West Delta fields. What is the Department's position in this matter?

Answer. When Congress set the level of payment to States under section 8(g) of the Outer Continental Shelf Lands Act, Congress intended that the payment would compensate the State for drainage, if drainage were to occur. This is an important issue and one that affects all States with offshore areas that border leased acreage. We believe that the law is clear on this matter and the courts have upheld the position that 8(g) payments compensate States for all losses they may incur, including drainage.

NATIONAL PETROLEUM RESERVE—ALASKA

During fiscal year 1998, MMS employees were supposed to be used to support the Bureau of Land Management in preparing an integrated activity plan and environmental impact statement for 4.6 million acres of the National Petroleum Reserve.

Question. What is the status of that effort?

Answer. Minerals Management Service personnel are developing answers to comments on the draft environmental impact statement (EIS). They also are writing and editing text for the final environmental impact statement (FEIS). In addition, the coastal zone consistency determination is being prepared based on the description of the proposed action and the draft text of the final environmental impact statement. The Minerals Management Service's Resource Evaluation personnel are loading and reviewing National Petroleum Reserve-Alaska geological and geophysical data.

Question. Have any MMS programs been delayed or eliminated as a result of this support?

Answer. The Minerals Management Service delayed work on the Cook Inlet Sale 173 (originally scheduled for 1999) to accommodate the National Petroleum Reserve-Alaska (NPR-A) work. The Department wanted the National Petroleum Reserve-Alaska effort to be performed using the best available scientists with knowledge of this part of Alaska. We are trying an innovative "good government" approach by teaming Minerals Management Service experts with the experience for evaluating such a project with staff in the Bureau of Land Management. Sale 173 can still be held within our current 5-Year Plan and is tentatively scheduled to be held in the year 2001.

Question. Will a similar level of assistance be required in fiscal year 1999?

Answer. The final economic impact statement is scheduled to be completed in July 1998, so the economic impact statement writers will be through with their work in fiscal year 1998. If the Secretary decides to conduct an oil and gas sale, some Minerals Management Service personnel will continue to work on the National Petroleum Reserve-Alaska activities into fiscal year 1999. The Minerals Management Service will assist with pre-sale, sale, and post-sale leasing activities. Minerals Management Service personnel also will continue evaluating the National Petroleum Reserve-Alaska geological and geophysical data to prepare for the sale and would work after the sale to insure that fair market value is obtained for leases receiving bids. Most of the Minerals Management Service's fiscal year 1999 National Petroleum Reserve-Alaska work probably will be completed in the first half of the fiscal year.

ROYALTY MANAGEMENT PROGRAM REENGINEERING

The agency proposes to reduce its Royalty Management Program by $2.4 million. Concurrently it is embarking on a major reengineering process of the program.

Question. What safeguards will be in place to assure that the necessary controls and standards are retained to assure an accurate and responsive program?

Answer. The proposed budget reduction of $2.4 million will be fully achieved with no adverse effects on program accuracy and responsiveness. This will be accomplished through reduction of the Royalty Management Program's financial services contract. While the Minerals Management Service proceeds with the reengineering project, it will continue to safeguard its ongoing controls and standards.

The process improvements envisioned by the Royalty Management Program's reengineering initiative are being designed to ensure that overall program performance is improved while continuing to provide the highest levels of operational integrity, stability, and internal controls.

The Royalty Management Program also maintains an aggressive control evaluation effort which will routinely examine reengineered processes to ensure the adequacy of controls and standards. Additionally, the Interior Office of Inspector General has plans to audit the reengineering effort beginning in fiscal year 1999 as well as to continue its heavy emphasis on various aspects of the program.

Question. What is the total estimated cost of the reengineering effort?

Answer. The Royalty Management Program, in conjunction with its technical support contractor Performance Engineering Corporation, developed a preliminary esti-

mate of about $26 million for the systems modernization contemplated by the reengineering effort. Implementation of the Royalty Management Program's new business processes and automated support systems is expected to begin in fiscal year 1999. The reengineering changes will be phased in over a two or three year period depending upon the implementation strategy selected.

The Royalty Management Program has begun prototyping and testing its proposed new business processes. The final reengineering design concepts will be completed in the summer of 1998.

Question. Can the effort be escalated?

Answer. We are expecting a 2–3 year implementation schedule beginning in fiscal year 1999. This plan is quite ambitious given the complexity of the current computer system and the far-reaching nature of reengineering. Escalation of the timetable could risk program integrity.

Further decisions regarding implementation depend partially upon the results of current prototyping and piloting efforts that will be completed in the summer of 1998.

The 2–3 year implementation schedule provides the basis for the President's fiscal year 1999 budget proposal of $5.0 million for reengineering. We estimate that additional funding of about $21 million will be needed to complete the implementation.

WORKFORCE RETENTION

The agency is experiencing some attrition of its workforce due to recruitment by the industry.

Question. What steps is the MMS taking to retain its workforce in the face of this recruitment?

Answer. The Minerals Management Service grants retention allowances (up to 25 percent of basic pay) to a limited number of employees who possess unusually high/unique qualifications, or meet special needs of the agency, and who are likely to leave Federal service if the allowance is not given.

The Minerals Management Service's awards program is used to recognize employee accomplishments. The bureau has authority to grant cash awards of up to $5000. Time off awards are also granted frequently.

Some new employees from outside Government are hired at salaries above the minimum rate of the grade. Justification is based on superior qualifications of the individual or special needs of the agency. This authority is referred to as the Superior Qualifications Appointment authority. Employees hired under this authority are more likely to stay in their positions because of higher than minimum rate salaries.

College students have been converted from the Student Career Experience Program to permanent positions following graduation.

Family Friendly initiatives are in place which enhance the quality of work life of employees and, therefore, aid in retention. Employees are encouraged to use programs such as Family Friendly Leave, the Family and Medical Leave Act, and the Voluntary Leave Share Program.

Telecommuting is being used increasingly in offices where the duties of the positions lend themselves to an alternative work site.

Alternative Work Schedules are in use by many employees. One such schedule allowing employees to work 5–4–9, meaning they work 5, 9 hour days one week, 4, 9 hour days the second week, with one day off. However, one of the days is an 8 hour day so that the hours equal out. Some special case offices allow 4, 10 hour days.

Question. Has MMS pursued, or is it considering pursuit of new authorities to aid in workforce retention?

Answer. The Minerals Management Service has considered across the board salary special rates but did not pursue, opting instead for more focused retention allowances.

ROYALTY-IN-KIND PROGRAM

The 1998 Interior Appropriations report language directed the MMS to continue to test its royalty-in-kind program.

Question. When does MMS expect to make a final decision on development of a RIK program?

Answer. The Minerals Management Service has decided to launch three royalty-in-kind pilot projects, which will involve crude oil leases in Wyoming, 8(g) leases offshore Texas, and leases in the Gulf of Mexico.

The start up date for the Wyoming and Texas pilots is October 1998; the Gulf of Mexico is October 1999.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Fiscal year 1999 is the first year of planning under the Government Performance and Results Act. The Minerals Management Service budget justification displays its strategic goals and a performance plan summary.

Question. Are significant changes expected in the agency budget structure to be more reflective of the strategic goals?

Answer. Currently, minimal changes have been incorporated to facilitate the transition from the "traditional" budget structure to a performance-based budget, and the Minerals Management Service has integrated both approaches into its fiscal year 1999 budget document. While the Minerals Management Service presents its budget in terms of activity and subactivity categories (e.g. Outer Continental Shelf Lands/Regulatory), this presentation is complimented by listing strategic objectives associated with each activity and further relating these objectives to enacted and requested appropriations and full-time equivalent (FTE) levels. We believe this approach is responsive to Government Performance and Results Act requirements while retaining a familiar context for evaluating the budget submission. A Government Performance and Results Act crosswalk is also presented in summary fashion at the outset of the budget document in addition to being interwoven at appropriate intervals throughout the text. This overall approach emphasizes the relationship of and acts as a bridge between activities, strategic objectives, and funding.

As the Minerals Management Service becomes more efficient in strategic planning and results oriented budgeting processes, we will share information, and work with the Department, the Office of Management and Budget, and Appropriations committees to develop the most effective way to present the agency budget.

Question. As strategic goals and objectives become more integrated with day-to-day operations, what efficiencies in operations are estimated to occur?

Answer. The Minerals Management Service has a clear and distinct mission and mission statement. The Minerals Management Service from its inception has embraced the strategic planning process in guiding, budgeting for, and executing program evolution and development. The Minerals Management Service strategic goals and objectives therefore are more reflective of meeting mission requirements rather than focusing on greater operational efficiencies. For example, some strategic objectives relate to insuring that fair value is received for public Outer Continental Shelf energy resources and to properly protecting Outer Continental Shelf environments—basic mission elements in the Outer Continental Shelf Lands Act. However, reinvention and reengineering teams are analyzing aspects of these mission processes to determine what operational improvements and efficiencies can be achieved.

These efforts are likely to produce recommendations that could result in future strategic plan objectives and performance plan targets or "stretch goals" aimed at realizing significant gains in operational efficiency. The leasing, resource evaluation, and bid auction processes are among those being evaluated for improvement potential. The royalty management program is also deep into a reengineering effort which will result in a more highly integrated, process and outcome focused, and less costly program that is fully supported by state-of-the-art technology and would be viewed by customers and stakeholders as the best in the business.

TECHNOLOGY AND PROCESSING ENHANCEMENT

The agency has made extensive efforts to replace and significantly enhance its technology and processing capabilities.

Question. What is the status of this technology upgrade effort?

Answer. The Royalty Management Program has completed its technology upgrades to support compliance activities both in-house and with our State and Tribal partners. Through the Royalty Management Program's extended network, all State, Tribal, and remote Royalty Management Program auditors now share the same desktop applications and accessibility to online information as their coworkers located in Lakewood, Colorado. In addition, the Royalty Management Program has completed upgrades to its Lakewood network that has allowed it to consolidate its many divisional Local Area Network's into a more cost effective centralized facility.

geological and geophysical data acquisition

The acquisition of geological and geophysical data was an issue during the fiscal year 1998 appropriation process.

Question. What is the status of agency actions to finalize a proposed rule?

Answer. The final rule for 30 Code of Federal Regulations, Part 251, Geological and Geophysical (G&G) Exploration of the Outer Continental Shelf was published in the Federal Register on December 24, 1997, with an effective date of January 23, 1998.

Question. How has industry been involved in this effort?

Answer. Industry was involved in two ways. The first was through the public comment period for the proposed rule which was extended twice in order to ensure receipt of industry's comments. The first extension was from the original due date of April 14, 1997, to May 30, 1997, and the second extension was from May 30, 1997, to July 29, 1997. The second way that industry was involved was through two public meetings, the first of which was held on May 15, 1997, in Washington, D.C., and the second which was held on July 10, 1997, in New Orleans, Louisiana. We also continue to have discussions with both trade associations and individual companies to make sure implementation of the rule is working smoothly.

OFFSHORE MINERAL ACTIVITY

The MMS has responsibility for offshore minerals management. To date, this activity has been a minor part of overall MMS operations.

Question. Does the agency expect to assess fees against local governments for sand and other minerals to be extracted from the OCS? If so, what are the projections?

Answer. Yes, the agency expects to assess fees for sand from the Outer Continental Shelf. On October 31, 1994, H.R. 3678, Section 1, Amendments. (2)(B),(a) Section 8 Amendments—Section 8(k) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337 (K)), authorized the Secretary of the Interior to negotiate agreements (in lieu of the previously required competitive bidding process) for use of Outer Continental Shelf sand, gravel, and shell resources for certain specified types of public uses. It states:

"In carrying out a negotiation under this paragraph, the Secretary may assess a fee based on an assessment of the value of the resources and the public interest served by promoting development of the resources. No fee shall be assessed directly or indirectly under this subparagraph against an agency of the Federal Government."

Representative Gerry Studds, Chairman of the Committee on Merchant Marine and Fisheries, summed up the intent of the law regarding fees during his remarks on H.R. 3678 Outer Continental Shelf Sand and Gravel Resources, House of Representatives—October 3, 1994, H.10592.

"The bill accomplishes two important things. First, it makes OCS hard minerals available for public projects without requiring that the State, local, or Federal agency seeking use of the resource participate in a competitive lease sale. Under current law, these resources could only be made available to State and local governments through such a lease sale, which is too costly and too cumbersome. However, the minerals are not to be given away. The bill authorizes fees to be charged based on the value of the resources and the public interest served in developing them. This allows a tradeoff between fair market value of the resources and the public benefit of the projects for which they will be used. Second, the bill clarifies the jurisdiction of the Department of Interior over OCS hard minerals as was contemplated by Congress in 1953. However, Federal Agencies are not to be assessed a fee for the use of these resources."

The Minerals Management Service has prepared guidelines for its use in determining fees for Outer Continental Shelf sand, gravel, and shell resources. In October 1997, the Outer Continental Shelf Policy Committee adopted a resolution confirming their support for the negotiated agreement process and advised that the Minerals Management Service guidelines provide an acceptable approach for determining fees and is consistent with the Outer Continental Shelf Land Act.

At this time, the Minerals Management Service expects that each year, on average, one "medium size" shore protection project would need access to Outer Continental Shelf sand. This project size would probably need between 600,000 and 1,500,000 cubic yards of sand. With these volumes requested for a typical storm damage reduction project, Minerals Management Service fees generated could be about $100,00 to $300,000 per year. In fiscal year 1998, a fee of $198,000 was assessed for 1.1 million cubic yards of sand for nourishment of Sandbridge Beach, Virginia.

Additionally, it should be noted that a barrier island restoration project under consideration for Louisiana (Isles Dernieres) could be funded for construction under the Coastal, Wetlands Planning, Protection and Restoration Act. If so, a one-time, large volume of Outer Continental Shelf sand could be requested sometime between 1999 and 2001. This would be a very unusual project because of its size and could result in additional Outer Continental Shelf sand fee collections of $600,000 to $1,100,000 in one year only.

Question. Does the agency expect an increased workload in offshore mineral activities?

Answer. The Agency to date has an exceptionally large workload relative to the use of Federal sand for beach nourishment. Non-competitive negotiated agreements to use Outer Continental Shelf sand to restore coastal beaches already have been accomplished with Duval County, Florida, the Cities of Myrtle Beach and Virginia Beach, and the U. S. Navy. This work has involved the review and preparation of National Environmental Protection Agency documents and, in the case of Virginia Beach, the conduct of a 3-year environmental study to assess potential impacts prior to issuance of a lease.

Beach restoration/coastal replenishment projects have traditionally relied upon the sand resources which were available in coastal/near shore waters. However, in recent years such supplies have diminished due to repeated use and pollution. Continual dredging in the coastal area, within the influence of the near shore wave base, has also resulted in adverse changes in the local wave climate and physical oceanographic regime. This has resulted in increased demand by coastal States, local communities, and Federal agencies for access to Federal sand resources. In addition, in the last several years, coastal storms traversing up the east coast of the U. S. have caused severe beach erosion and economic losses.

The severe storm damage inflicted upon the east coast of the U.S., along with the environmental implications associated with the use of near shore sand and its diminishing supply, have increased the demand for offshore sand suitable for beach nourishment. Since studies have indicated that there is a plentiful supply of clean, compatible sand for beach/coastal restoration on the Outer Continental Shelf and that this sand is located in areas well beyond the local wave base and near shore wave climate/oceanographic regime, the Agency expects a significant increase in demand for access to these resources, and consequently, a significant increase in workload related to these activities.

PRODUCTION DELIVERY INFRASTRUCTURE

In addition to on-site production and exploration activities, there is an extensive pipeline infrastructure that has been in place for years.

Question. What is the overall condition of this production delivery infrastructure?

Answer. The overall condition of this production delivery infrastructure is very good. There are about 22,000 miles of active pipelines in the Gulf of Mexico. About two-thirds of this mileage represents natural gas pipelines and one-third represents oil pipelines. In all, about 26,600 miles of pipelines have been approved for construction, and about 4,000 miles of pipelines have been decommissioned in accordance with Minerals Management Service operating regulations.

Some have expressed concern that many pipeline segments in this infrastructure have outlived their original design life; but experience has shown that the older pipeline systems are no more susceptible to major failure than more recent systems. This is not to say that we do not need to improve pipeline inspection, leak-detection, or repair systems. But there currently does not appear to be any evidence that we should have major concerns about the condition of the offshore pipeline infrastructure.

The greatest likelihood of a spill from any offshore pipeline system is from ship-pipeline interactions. These are usually caused by anchors being dropped on or dragged over pipelines. Ship-pipeline interactions usually result in very large spills that heavily influence spill statistics. For example, one such incident, February 1988, resulted in a spill of 15,576 barrels of oil, or about 38 percent of the volume of all spills of 50 barrels or greater for the period 1981 through 1990.

Corrosion related spills—the most frequent type of spill caused by aging—tend to be small. Such leaks are usually detected by the presence of gas bubbles or oil slick sheens that are highly visible. Pipeline failure statistics since 1973 show only one spill of more than 50 barrels that was attributed to internal corrosion caused by aging. That spill occurred in 1973 and was estimated to have released 5,000 barrels of oil. No corrosion-related spills of that size have been reported since, probably because of increased regulatory attention to operator inspections and more frequent aircraft observations to detect gas bubbles and oil slicks.

Question. Are monitoring and inspection activities associated with these systems adequate to safeguard against deterioration and general hazards caused by aging?

Answer. Yes. The Minerals Management Service closely monitors the leak or failure rates of all Outer Continental Shelf pipeline segments and may require additional inspections, tests, and maintenance procedures for any segment if it appears that the segment poses an environmental or safety risk. The Minerals Management Service operating regulations under 30 Code of Federal Regulations 250.150–164, Subpart J, contain a number of requirements for pipelines that serve to safeguard against deterioration and general hazards caused by aging.

First, pipelines must be provided with an external protective coating capable of minimizing under film corrosion and a cathodic protection system designed to mitigate corrosion for at least 20 years. When pipelines are protected by rectifiers or anodes for which the initial life expectancy of the cathodic protection system either cannot be calculated, or for which calculations indicate a life expectancy of less than 20 years, such pipelines must be inspected annually by taking measurements of pipe-to-electrolyte potential measurements.

Second, the Minerals Management Service Regional Supervisor may require that oil pipelines be equipped with a metering system to provide a continuous volumetric comparison between the input to the line at offshore production facilities and the delivery points onshore. Such systems must include alarm systems that have adequate sensitivity to detect variations between input and discharge volumes. Other systems capable of detecting leaks in the pipeline may be approved by the Regional Supervisor.

Third, prior to returning a pipeline to service after a repair, the pipeline must be pressure tested with water or processed natural gas at a minimum stabilized pressure of at least one and one quarter (1.25) times the pipeline's maximum allowable operating pressure for at least two hours. This serves to prove the adequacy of the repair and to test the line for other areas of weakness.

The Regional Supervisor may require pressure testing of any pipeline to verify the integrity of the system when the Regional Supervisor has reason to believe that the line has been damaged or weakened by external or internal conditions.

Finally, the Regional Supervisor may prescribe that pipeline operators inspect pipeline routes at regular intervals for evidence of leakage. The operators must maintain the results of these inspections for at least two years and must make them available to the Regional Supervisor upon request. On April 18, 1991, the Minerals Management Service Gulf of Mexico Region issued a letter to lessees and operators that provided guidance on various aspects of pipeline installation and operation. It specified that each pipeline route under the Minerals Management Service's regulation in the Gulf of Mexico must be inspected at least monthly for indications of pipeline leakage using a helicopter, marine vessel, or other approved means.

Because corrosion tends to occur in certain areas of offshore pipelines, such as in risers and small well flow lines, specific local inspection measures and repair techniques have proven to be highly effective in maintaining the integrity of offshore pipeline systems.

INCIDENTS OF NONCOMPLIANCE

The agency-provided information to the Subcommittee during the fiscal year 1998 appropriation process on Incidents of Noncompliance (INC) shows that incidents have been increasing steadily since fiscal year 1994.

Question. What is the 1997 data for INC's?

Answer. For fiscal year 1997, total incidents of noncompliance is 5,265, an increase of 439 over fiscal year 1996.

Question. What is the future projection for noncompliance?

Is it expected to continue to increase?

Answer. Over the past four years, the number of incidents of noncompliances issued has increased. The Minerals Management Service has not made future projections; however, the current trend suggests that an increase is possible.

As larger operators continue to move to deeper waters, properties in shallower waters are assigned to smaller operators, many who have not previously operated on the Outer Continental Shelf. Unfamiliarity with the operating environment and the operating regulations on the part of these "new" operators is expected to result in a higher level of noncompliance. As a result of downsizing and restructuring over the past several years, the industry has come to rely increasingly on contracting. This results in another layer of company policies, procedures and practices, that may or may not comply with the operating regulations. We have a concerted effort underway to impress upon the operators that they are as responsible for the performance of their contractors as they are for their own employees. Finally, the Minerals Management Service has been taking a more proactive role in promoting safe practices. We are committed to taking whatever steps we can as a regulator to prevent a serious accident on the Outer Continental Shelf which would undermine the confidence the American public has in the integrity of the program.

Question. How many additional agency personnel will be assigned directly to inspection of operations particularly prone to be in non-compliance?

Answer. We have been attempting to focus our inspection resources on the basis of risk. The Minerals Management Service inspects problem operators' facilities

more often than others by redirecting current inspection resources. Conversely, the Agency intends to reduce the inspection frequency for the top performers.

At this time, the level of additional follow up inspections of less prudent operators requires a minor number of personnel, and is being accommodated within the current workforce.

OFFICE OF SURFACE MINING, RECLAMATION AND ENFORCEMENT

CLEAN STREAMS INITIATIVE

The agency proposes to increase its Acid Mine Drainage remediation and prevention by $2 million.

Question. How many more Clean Streams projects will be accomplished with this increase?

Answer. It is estimated that up to 30 new Clean Streams projects could be initiated if the proposed budget increase is provided. In addition, several prospective projects that received partial funding in fiscal years 1997 and 1998 could be completed with additional funding from the proposed $2 million increase.

Question. With OSM's proposal to fund the Clean Streams Initiative from interest on the Abandoned Mine Land fund, does the agency expect greater support for this effort from State and Tribal interests?

Answer. The States and Tribes are generally supportive of the proposal to fund activities related to the Clean Streams Initiative from interest on the AML fund. While States support the goals of the Clean Streams Initiative, they are concerned that funds for the program may affect their present and future "regular" abandoned mine reclamation efforts. By taking these funds from the interest remaining after meeting the requirements of the United Mine Workers of America Combined Benefit Fund, the State and Tribal share of the AML fund will not be impacted by the Clean Stream initiative.

Question. As experience with the Clean Streams activities increases, can a more beneficial leveraging ratio be anticipated?

Answer. Yes. OSM anticipates a more beneficial leveraging of Federal funds as experience with Clean Streams activities increases. There are many variables which may determine the ratio of leveraging. These factors include the ability of cooperating agencies and organizations to share costs from their budgets, continued community support for projects based on improvements to their local economies and the environment, and the diversification of funding sources by local groups and associations. Increased cost-sharing and leveraging of appropriated funds also depends on the success of Clean Streams Initiative projects. Based on recent experience, it is believed that improvements can be made to the ratio of non-Federal to Federal funding.

Question. The agency proposes to use some of the $7 million for other than grants to States. How much of these funds will be used for this purpose and what benefits can be expected?

Answer. Of the President's request of $7 million for Clean Streams, $5.9 million is requested for State grants and $1.1 million for the following purposes:

—$650,000 for direct cooperative agreements with local groups, especially watershed organizations, to support local acid mine drainage reclamation projects;

—$100,000 for non-coal mining related reclamation work under the Western Mine Land Restoration Partnership;

—$150,000 for a position and support costs to aid State and local watershed groups in partnering and leveraging human and fiscal resources for stream restoration projects; and

—$200,000 for the National Mine Reclamation Center for work on the Acid Drainage Technology Initiative, a cooperative effort of industry, government, and academia to compile "best science" solutions to acid mine drainage problems and to refine methods for predicting acid mine drainage.

WESTERN MINE LAND PARTNERSHIP

The OSM proposes to initiate the Western Mine Land Partnership with a budget request of $100,000. This program is modeled to a large degree after the Clean Streams Initiative.

Question. How will other agencies such as the Bureau of Land Management, National Park Service, and Forest Service be involved in, and contributing to, this effort?

Answer. On June 22, 1996, the Department of the Interior and the Western Governor's Association agreed to work together to develop the Western Mine Restoration Partnership (WMRP) to jointly pursue the restoration of abandoned hardrock

mines. Members of the WMRP include representatives of OSM, BLM, National Park Service, the Forest Service, the USGS and EPA. Since June 1996, the WMRP has developed a Partnership Agreement and an Action Plan that calls for coordination among all parties. This coordination will be continued through the development of projects pursuant to this proposed funding.

Question. How will project funding occur?

Answer. The funding will be used for practical, effective on-the-ground reclamation of abandoned mines. Efforts will be made to leverage funds with private interests and local governments and State AML programs. The objects for each project will be to eliminate safety, health and environmental hazards.

Question. What are future budget request projections for this program?

Answer. The $100,000 proposed for fiscal year 1999 is a relatively small amount. OSM will attempt to demonstrate effective results achieving reclamation and involving State and local entities in each project. The results will be assessed toward consideration of future funding.

MINIMUM STATE PROGRAM

The Abandoned Mine Reclamation Act of 1990 establishes a minimum State grant funding level of $2 million per State. However, since fiscal year 1995 funding for the program has been limited to $1.5 million per State. Several States point out that the AML fund balance is increasing.

Question. What is the Department's position on increasing the funding level to the authorized minimum of $2 million?

Answer. OSM is confident that the Minimum Program States could put any such increase to good use doing additional reclamation projects. The States support such an increase, but only if the funding for the Abandoned Mine Lands (AML) program is increased at least to cover the increased minimum program funding. If the minimum program level were raised without increasing the AML grant appropriation, non-minimum program States and Tribes receiving Historic Coal Share funds would be impacted. The four States with the largest historic coal production percentage which would suffer the greatest negative impact are Pennsylvania, West Virginia, Illinois, and Kentucky.

APPLICANT VIOLATOR SYSTEM

Last year the agency had to curtail its use of the Applicant Violator System.

Question. How has OSM modified AVS procedures to make the system operational?

Answer. Use of the AVS was not curtailed as a result of a recent court decision, only the application of recommendations in some instances. The State and Federal permitting authorities continue to use information available only by way of the AVS on all permitting decisions. OSM provides over 4,000 recommendations from the AVS to permitting authorities annually.

The court decision directed OSM to discontinue providing permit "DENY" recommendations to permitting authorities based on entities linked to violations "upstream" from the applicant. On May 14, 1997, OSM issued a System Advisory Memorandum explaining the change and effects of the court decision on AVS recommendations. Since that date OSM has determined that 1,187 recommendations were based on violations linked by "upstream" relationships to applicants and informed the requesting permitting authority of these findings.

Question. When will final regulations be in place?

Answer. OSM has assembled a team of employees to re-design ownership or control and related regulations. This team has conducted extensive outreach with OSM's stakeholders and has completed a first draft of the regulatory changes. OSM plans to complete its review of the draft, incorporate modifications as required, and issue a proposed rule by the summer of 1998. A final rule will be published as soon as possible following normal rulemaking procedures.

IMPACT OF COAL PRODUCTION DECREASE

Decreasing coal production has apparently affected the State's ability to fund their regulatory programs.

Question. How has this affected OSM programs?

Answer. Since OSM must match State program regulatory costs, there is continual coordination with individual States. OSM utilizes the States' grant requests to develop its annual budget request for State regulatory grants. As a result of the program coordination and OSM's re-engineered grants and performance review processes, OSM is able to meet the States' grants needs.

GPRA IMPACT

The OSM was a leader in integrating its budget structure with GPRA strategic goals.

Question. How is this new structure working?

Answer. Very well. During fiscal year 1997, OSM dual-coded its obligations. Obligations were coded under the existing budget structure as well as the proposed budget structure. Questions as to which program activities certain workloads and efforts should be classified under were resolved, the need for additional account codes was identified where appropriate, and minor adjustments to the accounting system were made to simplify coding and reporting obligations under the new budget structure. This effort allowed OSM to resolve any problems before the new budget structure became effective in fiscal year 1998.

Question. Does the agency expect to recommend changes in the GPRA or the structure in the near future to more closely represent the agency mission?

Answer. At this time, OSM expects to make no significant changes in its strategic goals or budget structure. Based on actual data collected in fiscal year 1998 and questions raised by outside readers during the fiscal year 1999 Budget Justification/Annual Plan review, OSM may clarify some of its performance measurements and adjust some of the outyear estimates for some of its goals, but not the overall goals themselves. OSM strategic goals are reflective of the Bureau's mission.

QUESTION SUBMITTED BY SENATOR TED STEVENS

A major contribution to domestic energy security could come from the National Petroleum Reserve of Alaska, which the Energy Department estimates could hold 5.5 billion barrels of reserves. In February of 1997, your Bureau of Land Management sought comment on a draft environmental impact statement and a plan of action for leasing up to 4.2 million acres in what is known as the northeastern planning area of NPR-A. At that time BLM also said that a final record of decision on leasing in the planning area would be made by August 1998.

Question. Are you and the Department still committed to that August 1998 deadline for making a final decision on leasing in NPR-A?

Answer. The current schedule calls for the Final EIS by the end of July with the ROD by the end of August. The comment period for the Draft EIS was extended from 30 days to 60 days.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

Your Department, namely the Bureau of Land Management, has been discussing the possibility of purchasing a private property and a conservation easement north of Yellowstone National Park. In fact, $13 million has been included in the supplemental LWCF account for this property. ($6.5 million within the Forest Service and $6.5 million within the BLM). Last month, the White House Council on Environmental Quality hosted a meeting with livestock producers and animal health authorities from various states to discuss this issue and how it relates to the management of the brucellosis infected Yellowstone National Park Bison herd. At the meeting, federal authorities stated that this land acquisition would be a major part of the solution to the bison situation.

Question. How does this land acquisition address eradication of the disease, something your department has advocated for decades?

Answer. The Department of the Interior is currently involved in negotiations to acquire a portion of the Royal Teton Ranch (RTR) which lies directly north of Yellowstone National Park and is owned by the Church Universal and Triumphant (CUT). This potential acquisition is part of an overall scheme for the long-term management of bison in the greater Yellowstone area. The development of a long-term bison management plan was necessitated by several factors, most notably, the need to provide adequate winter range for bison while simultaneously protecting Montana's brucellosis class free status, and working toward the eradication of brucellosis.

The Department of the Interior has been working closely with the State and remains committed to continue working with the State toward a mutually acceptable manner of reaching these objectives. To that end, on June 5, 1998, the State of Montana, the U.S. Forest Service (USFS), and the U. S. Department of Interior (USDOI) intend to release for public comment a draft Environmental Impact Statement (EIS) on the Long-Term Bison Management Plan. This EIS was mandated by a settlement agreement in Montana v. U.S. which was signed by the State Montana, USDOI, and

USFS on November 2, 1995. The draft EIS includes various alternatives that would provide bison winter range, protect the State of Montana's class free status, and move toward the eradication of brucellosis.

The draft EIS Preferred Alternative anticipates the acquisition of lands both north and west of Yellowstone National Park for special management areas (SMAs) and the Department, therefore, is working with the Animal and Plant Health Inspection Service (APHIS), USFS, the State, and the CUT to develop an acquisition proposal that will also meet the dual goal of providing bison winter range while protecting Montana's brucellosis class free status which will directly enhance the eradication of brucellosis.

It should be further noted that the Department of the Interior remains completely committed to working toward the eradication of brucellosis irrespective of the EIS, and is currently reviewing all possibilities for an increase and acceleration of research on the development of a safe and effective vaccine that would prevent brucellosis in wildlife. We are also coordinating with USFS, APHIS, and the Greater Yellowstone Interagency Bison Committee to make certain that all of our resources are utilized in the most efficient and expedient manner.

Your agency's discussion about the land north of Yellowstone National Park does not simply deal with an acquisition of fee title. The proposed package includes purchase of land, exchange of lands, and a conservation easement for wildlife. The details of these are not clearly defined. I have two questions:

Question. How is the Gallatin National Forest going to pay for the increased amount of responsibilities of the new land, especially in light of Region One's current budget constraints?

Answer. This question would be more appropriately answered by the Forest Service as part of its hearing record.

Question. How do you plan on including the Montana delegation and the Governor in these discussions?

Answer. The draft Memorandum of Understanding between the BLM and the Forest Service indicates that the Forest Service will continue as the lead Federal agency in maintaining contacts and discussions with the Montana congressional delegation and the Governor.

Question. What authority does the Bureau of Land Management or the Forest Service have for the purchase of this land?

Answer. The BLM's authority for its Royal Teton Ranch acquisitions comes from the Federal Land Policy and Management Act and the Land and Water Conservation Act. Both laws provide for the acquisition of lands which are primarily of value for outdoor recreation.

The Royal Teton Ranch project clearly furthers outdoor recreation purposes by supporting crucial habitat for antelope, bighorn sheep, bison, elk, and grizzly bear. The anticipated purchases would offer critical public access to the Gallatin National Forest from the west side of the Yellowstone Valley.

Question. It is my understanding that states still own the water in their states, yet I recently heard that your agency has decided to change that.

The Bureau of Reclamation recently filed a quiet title suit in federal court related to the Elephant Butte project in New Mexico and Texas. In that suit, the Bureau asserts that they not only own the water rights associated with this project, they also assert that they are sovereign owner of waters flowing in the Rio Grande in both Texas and New Mexico. Is this correct?

Answer. While it is correct that, in June 1997, the United States filed a civil action to quiet title in its water rights for the Rio Grande Project, your description of the Bureau of Reclamation's position in that lawsuit is incorrect.

The Rio Grande Project, which was authorized in 1905, extends from the headwaters of Elephant Butte Reservoir in New Mexico to Fort Quitman in Texas. In operating the Project for the purposes authorized by Congress, the United States relies upon water stored in Project facilities, return flows, and inflows to the Rio Grande in both New Mexico and Texas. When water stored in Elephant Butte Reservoir is released, it is intermingled with project return flows and with inflows to the Rio Grande. These intermingled sources of water are then diverted for use in New Mexico, Texas, and Mexico. These sources together enable the United States to meet the Project delivery requirements of approximately 931,841 acre-feet per annum under normal conditions, including the United States' treaty obligation to Mexico. The operation of the Project is further subject to the requirements of the Rio Grande Compact of 1939 between the United States, Colorado, New Mexico, and Texas.

In January 1906, in accordance with Section 8 of the Reclamation Act of 1902, the United States filed notice with the New Mexico Territorial Irrigation Engineer of its appropriation of water for the Rio Grande Project. Thus, the United States'

claim to ownership was acquired through appropriation, filed in conformity with the laws of the then Territory of New Mexico, and, with the exception of the water for Mexico, not as a consequence of the sovereignty of the United States. Reclamation's position in the lawsuit is that the United States is the legal title holder of the water rights appropriated for the Project, subject to the rights of the water district and the landowners. The users of such water own a beneficial property interest, provided their use is consistent with the terms of their contracts and applicable law.

Question. In July of last year, U.S. Fish and Wildlife Service and the EPA released a draft MOU which would require all states with delegated NPDES permit programs to enter formal Section 7 consultations with the U.S. Fish and Wildlife prior to issuing any NPDES permits. This would appear to give Fish and Wildlife Service veto power over the issuance of point of source discharge permits in every state. Is that what your agency intends to do?

Answer. The draft Memorandum of Agreement (MOA), was based on interagency negotiations between the Environmental Protection Agency (EPA), the National Marine Fisheries (NMFS), and U. S. Fish and Wildlife Service). Negotiations were conducted over six months and the draft was sent to the regional offices of FWS, NMFS, and EPA for internal review. A number of misconceptions about the document, which is still under negotiation, have since emerged. There was never any intention on the part of FWS and NMFS to establish any "veto power" over state-issued NPDES permits. The draft MOA is strictly a coordination mechanism between federal agencies and does not impose any obligations or requirements on states, tribes, or permit holders.

The role of FWS and NMFS is to comment on state-issued draft permits under existing Clean Water Act (CWA) regulations as part of the federal review necessary to "avoid substantial impairment of fish, shellfish, and wildlife resources", including threatened and endangered species, under 40 CFR 124.59 (b). EPA may object to a permit under existing CWA authority if a permit does not support the objective of the CWA "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters", including the goal of providing water quality which provides for the protection and propagation of fish, shellfish, and wildlife. Where a federal action occurs, such as the EPA approval of a State's assumption of NPDES permitting authority, EPA approval of new or revised water quality standards, or EPA's issuance of NPDES permits where state assumption has not occurred, the Endangered Species Act (ESA) requires consultation with the FWS and NMFS if listed species may be affected by the action. The ESA further prohibits all federal agencies from taking any action that will likely jeopardize the continued existence of a listed species. EPA has consulted numerous times with the FWS and NMFS on this basis in relation to CWA programs.

Separate consultations on state-issued NPDES permits is not the goal or the purpose of negotiations on the MOA. Where endangered species impacts are identified, the FWS and NMFS will work with the state and EPA to lessen such impacts. If the FWS and NMFS determine that a NPDES permit is likely to jeopardize a listed species and EPA agrees, EPA may use its existing authority under the CWA to review the permit and federalize it.

Question. Under what statutory authority did they claim this?

Answer. As stated in the answer to the previous question, there was never any intention on the part of the FWS to establish any veto power over state-issued DES permits.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

THE MESCALERO APACHE SCHOOL SITUATION

In 1954, the Mescalero Elementary School was built with BIA funds. It became a BIA funded public school through the Tularosa Public School system. This K–6 elementary school was destroyed by arson in 1990. The Tularosa school system collected the insurance and the BIA helped with temporary facilities.

The Mescalero Apache Tribe is now seeking funds for the construction of a new K–12 school to serve the entire reservation. I understand that the BIA is again responsible for the school, and I am very interested in verifying its status as a BIA school, and the possibility of its becoming a priority for BIA replacement and new construction funds.

The destruction by fire is normally a cause of high priority consideration by the BIA, and I do not yet understand why the Mescalero Apache school has not been made a priority in the BIA replacement school construction program.

Question. Your assistance in clarifying this matter will be greatly appreciated.

Answer. The Mescalero Tribe leased land for a nominal fee ($1.00) to the State of Mexico for a 25 year period. During this period, the local school district located, constructed, and operated a public K–6 grade elementary school on this reservation land. The annual lease subsequently expired with no new lease agreement being reached. To provide a thorough review of the situation, a chronology of events follows:

February 18, 1990.—The Mescalero Public School burned down.

February 19, 1990.—The Mescalero Apache Tribe passed Resolution No. 90–5 in support of the Tularosa Public School Board of Education and requested portable classrooms from BIA and the State.

May 20, 1990.—The Albuquerque Area Education Administration notified the Tribe that no funds were available from Office of Indian Education Programs (OIEP) for the emergency.

August 6, 1990.—The Office of Construction Management (OCM) met with Tribal Representatives and agreed to have a Technical Team determine whether the Tribal community center was suitable for conducting classes in school year 1990–91. The Tularosa School District had used the community center during part of school year 1989–90. The building was found to be seriously deficient for use as a school. The Facilities Management and Construction Center (FMCC) looked at options to upgrade tribal buildings or acquire portable classrooms.

August 6, 1990.—The Mescalero Apache Tribe passes Resolution No. 90–28, indicating that the Tribe and school district have failed to reach an agreement on location and operation of a public school. The school district proposed to build a new school located off tribal lands, which would have required student busing and included other public students. The Tribe asked BIA to assume operational responsibility for a proposed tribal school in 1990–91.

August 15, 1990.—Plans for a steel building to be purchased and erected by the Mescalero Tribe were transmitted to FMCC for review.

August 16, 1990.—A meeting was held regarding the school between the Secretary of the Interior, Manuel Lujan; Assistant Secretary for Indian Affairs, Eddie Brown; and President of Mescalero Apache Tribe, Wendell Chino. The Department/BIA position was that BIA would not support taking over the education program from the Mescalero Tularosa School District until an agreement was reached to operate an accredited public school.

August 22, 1990.—Letter to Assistant Secretary for Indian Affairs from Albuquerque Area Director requesting $387,000 to renovate tribal building for classrooms (building purchased by Tribe).

August 24, 1990.—The Assistant Secretary for Indian Affairs sent a letter to the President of the Mescalero Apache Tribe specifying conditions for granting assistance to tribal schools. The Tribe independently obtained facilities and hired teachers for the 1990–91 school year.

October 9, 1990.—Mescalero Apache Tribe submitted an interim application for Tribally Controlled Grant School (Public Law 100–297).

April 4, 1991.—A letter was sent from the Assistant Secretary for Policy, Management and Budget to the Appropriations Committees bringing the committees up to date on the school. At this time, no agreement existed between the Tribe and public school district and the Tribe had obtained and erected a building for 250 students.

April 11, 1991.—OIEP approves Mescalero School to become a BIA funded school, effective July 1, 1991. BIA requires that safety deficiencies be corrected at the school prior to occupation.

Nov. 25, 1991.—Mescalero Apache submitted an application to BIA for new school construction.

January 6, 1993.—Federal Register Notice for "Education Facilities Construction Priority List of fiscal year 1993" was published. Mescalero's application for fiscal year 1993 was considered, however, because the school was not a Bureau owned or operated facility when it was destroyed by fire, the application did not receive a high ranking on the priority system. The application was evaluated along with 66 other requests. Only the top five schools were added to the 1992/93 priority list which resulted in 16 schools total.

The Bureau is concerned about Mescalero and other schools where students are being educated in classrooms that do not meet code requirements or modern standards. In recognition of the Mescalero Tribal School's needs, the BIA's Education and Facilities programs provide funding for the annual operation of the school. However, because the replacement school priority list was frozen by Congress in fiscal year 1993, the BIA cannot provide replacement school funding at this time.

The BIA anticipates completing the list of 16 prioritized schools in the year 2001 or 2002. The Facilities Management and Construction Center and Office of Indian Education Programs, at the direction of the Assistant Secretary for Indian Affairs,

are currently reviewing completion of the replacement school projects and looking at a new replacement school application process. Depending on appropriation levels, the Bureau anticipates being able to solicit replacement school applications when the new process is established in 1999. This will provide Mescalero with the opportunity to compete for a replacement school in a national prioritized ranking process.

SOUTHWEST FISHERIES TECHNOLOGY CENTER

Since 1993, this Subcommittee has been supportive of this Center. When completed, it will be the only facility in the nation dedicated exclusively to the breeding and stocking of native, threatened, and endangered fish. To date, Congress has appropriated $20 million to rehabilitate the Dexter Fish Technology Center, and to construct the Mora unit. It is time to complete these facilities.

In fiscal year 1998, this Subcommittee provided $2 million to complete phase three construction at the Mora unit, plus an additional $500,000 in operations funding to open the facility. At the Dexter unit, there remains a need for $3.3 million to bring the facility completely online. This includes $2.9 million to complete phase 3 construction, $200,000 to purchase laboratory equipment, and $227,000 additional operations funding to fully staff the facility.

Question. Please give the Subcommittee an update on the status of these two units. Does the administration foresee completion of the rehabilitation of the Dexter unit this year?

Answer. The status of construction for the Mora and Dexter units of the Southwest Fisheries Technology Center is presented below.

In fiscal year 1998, the $2,000,000 provided for the Southwest Fisheries Technology Center is being used to complete construction at the Mora unit. In addition, $500,000 in operating funds were provided for start-up operations at Mora. These operating funds have been annualized in Service's fiscal year 1999 budget request. The Mora management plan, however, assumes $650,000 in annual optimal operating expense to fully staff the facility in the future. However, this additional funding was not included in the President's Budget request for fiscal year 1999 and is not a priority for the Department.

SOUTHWEST FISHERIES TECHNOLOGY CENTER—MORA UNIT STATUS—APRIL 1998

Construction/operations	Fiscal year	In thousands			Remarks
		Appropriations	Construction completed?	Optimal funding	
Phase I and II, planning, site work, well fields, and building shells for fish production and storage.	1990	$1,000	Yes		$15,720 sequestered in fiscal year 1991 $63,000 sequestered in fiscal year 1992.
	1991	3,000			
	1992	5,000			
Phase III, equipping buildings and related facilities	1997	2,705	No		To be completed in the fall of 1998.
Phase III, hatchery and wet lab building, equipment, and paving	1998	2,000	No		Construction to begin in fiscal year 1999.
Operating funds to fully staff	1998	500		$150	
Total		14,205		150	

Funding for the third and final phase of the construction at the Dexter unit is not included in the fiscal year 1999 President's Budget. Currently, the FWS estimates that $2,863,000 would complete rehabilitation of the facility, as well as $200,000 to purchase laboratory equipment. However, the Department has placed a priority on using limited construction funding to reduce existing inventories of critical health and safety projects or for mission critical priorities. The FWS estimates that $227,000 in annual operating funds would fully staff the facility. However, this additional funding was not included in the President's Budget request for fiscal year 1999 and is not a priority for the Department.

SOUTHWEST FISHERIES TECHNOLOGY CENTER—DEXTER UNIT STATUS—APRIL 1998

Construction/operations	Fiscal year	In thousands			Remarks
		Appropriations	Construction completed?	Optimal funding	
Phase I, and part of phase II hatchery building, and administration lab building	1993	$1,428	Yes		$12,138 was sequestered in fiscal year 1993.
	1994				
	1995	2,200			
Balance of phase II storage/maintenance building	1997	961	No		Construction to begin fall 1998.
Phase III, outdoor fish raceways, earthen research ponds, paving/landscaping at buildings.			No	$2,863	Phase III will complete construction.
Specialized lab equipment				200	Equipment needed to identify and maintain biodiversity.
Operating funds to fully staff				227	
Total		4,589		3,329	

INDIAN SCHOOL CONSTRUCTION

Question. Mr. Secretary, the recent GAO report about Indian school repair needs concludes that $754 million are needed to clear up the entire backlog of BIA school repair needs, and bring these BIA schools into code and instructional compliance with modern standards. In a footnote to that figure in the GAO report, it is noted that eight schools on the construction priority list would cost about $112 million to replace.

I have also heard that if we replace the 50 percent of BIA schools that are over 30 years old, the replacement costs would be about one billion dollars, leaving about $200 million in repair costs for the other half of newer BIA schools. I am seeking your assistance in verifying these estimates.

Answer. If $37.4 million is appropriated in fiscal year 1999 for the three replacement schools requested in the President's fiscal year 1999 Budget, five schools will remain on the current school replacement priority list at an estimated cost of $89.4 million.

The Bureau estimates that it would cost, at a minimum, $1.0 billion to replace the 50 percent plus of Indian schools that have exceeded their design life, are in various stages of deterioration, and do not meet modern educational needs nor current building codes or standards. Further, it is estimated that it will take an additional $200 million to bring the schools that would not be replaced up to present standards. We are in agreement with the figures that you are using, however, once the modernization effort the Facilities Management and Construction Center has undertaken to update the facilities backlog and validate information is completed, more accurate cost estimates and other statistics relating to building repair and replacement will be available.

Question. I am also interested, Mr. Secretary, in clarifying the BIA's responsibility for the Tribally Controlled Community Colleges (26) in terms of repair, rehabilitation, and replacement. I would also like to know more about the BIA operated post-secondary schools, namely, Haskell and SIPI (the Southwestern Indian Polytechnic Institute) and your plans for their campuses.

Answer. Title 1 of the Tribally Controlled Community College Assistance Act, as amended, authorizes grants to the TCCC's to defray expenditures for academic, educational and administrative purposes, and for the operation and maintenance of all the TCCC's. However, given the funding constraints, the Department's priority has been the safety of elementary and secondary school students in schools funded by the BIA. The Bureau's facilities program does not provide construction funding for repair or rehabilitation of the 26 Tribally Controlled Community Colleges. Due to the large backlog in facilities improvement and repair, as well as for replacement school construction, the Department must continue to focus on improving elementary and secondary schools.

Haskell and SIPI were operated by the BIA prior to enactment of the Tribally Controlled Community College Act and have always been Federally operated schools, and therefore the responsibility of the Secretary. As Federal installations, each school has had facility improvement projects approved by the Secretary and funded by Congress. Both Haskell and SIPI are in the process of improving and implementing master facility plans for their respective campuses. In fiscal year 1998, Haskell received over $7 million in FI&R funding, and for fiscal year 1999 FI&R funding has been requested for several buildings on the SIPI campus.

Question. It has been my experience that Crownpoint Institute of Technology (CIT) has had a most difficult time qualifying for either operational or capital funds from the BIA. Your assistance in bringing CIT into the normal budgeting process of Interior would be most helpful to CIT's future stability.

Answer. Crownpoint Institute of Technology is not presently being funded by either OIEP or the Bureau's facilities program. The Bureau has not funded CIT to date, because the BIA's limited amount of tribal college funding may be used to support only one college per tribe. The BIA already funds Dine College on the Navajo Nation.

Question. My current estimates for physical improvements at all BIA school facilities total $1.5 billion. This includes the $1.2 billion I mentioned for elementary and secondary schools. At this time, I believe the BIA is estimating about $300 million for the Tribally Controlled Community Colleges, SIPI and Haskell (no estimates exist to my knowledge for CIT). I would appreciate your assistance in updating these estimates, both for the elementary and secondary schools and for the post-secondary Indian colleges and vocational schools I have mentioned.

It is difficult, Mr. Secretary, for us to budget for these schools without the full picture of their relationship with the BIA and the outlook for their future funding.

Answer. The estimates noted in the question are, in general, accurate at this time. In December 1997, the Facilities Management and Construction Center ran a summary of backlog items that address the estimated cost necessary to bring the existing facilities up to current national codes and standards (national fire code, electrical codes, etc.). This summary does not include the cost of replacing facilities. In the case of education facilities, the summary shows a backlog of $695 million for elementary and secondary, plus $64 million for education quarters, or a total of nearly $760 million for education facilities. However, more than 50 percent of our existing schools are 30 years old or older, and have exceeded their design life expectancy. It is anticipated that many, if not all of these schools, will need to be replaced in the near future. The Bureau's facilities program does not provide construction funding for repair or rehabilitation of the 26 Tribally Controlled Community Colleges. However, the Bureau's facilities program has funded repair, rehabilitation, and replacement construction for Haskell and SIPI, which are included in the above estimates.

FMCC is currently modernizing the computerized facilities backlog program and has also begun an effort to pilot test sites as part of a total validation effort to update code and standard items contained in the backlog. Once these exercises are completed in the next several years, the Bureau will be able to provide Congress with more accurate and current statistics and costs. The Bureau will also be better able to determine which schools need to be replaced and which can be repaired and rehabilitated based upon cost benefit considerations.

One of the issues BIA faces is expanding student enrollment, which has necessitated immediate solutions in most cases, such as the provision of portable classrooms. This, of course, is a temporary fix and does not address permanent requirements at the schools. Since the early 1990's, enrollment and new program requirements are increasingly reflected in hundreds of thousands of additional square feet of education space being added to the construction and maintenance inventory. As a consequence, when replacement schools are constructed, they require a substantially larger footprint than existing schools. This scenario is reflected in part by the current estimate of $1.0 billion for replacement construction versus $695 million to bring existing schools up to current standards and codes.

Question. In addition to the physical facilities, I am anxious to know about BIA plans for improving the per pupil expenditures at BIA schools. As you may be aware, Indian colleges average $2,900 per student for operating costs, compared to $6,200 for most American colleges. Your suggestions and assistance to help us bring these Indian colleges up to a higher level of reliable funding would be most helpful. There is a similar situation among the elementary and secondary schools, and your plans for improving the educational situation for Indian children are of great interest to me.

Answer. The Bureau plans to increase per pupil expenditures in elementary, secondary and post-secondary schools, while, at the same time, requiring more accountability in the management of school programs. In terms of improving per pupil expenditures at the Tribal Colleges, the Bureau is proposing a $5.5 million funding increase in its fiscal year 1999 budget request for operating grants from $28.8 million in fiscal year 1998 to $34.3 million in fiscal year 1999. If the $5.5 million increase is appropriated in fiscal year 1999, the Bureau estimates that students will be funded at approximately $3,600 per student.

At the elementary and secondary school level, BIA schools are in the forefront in implementing school reform and accountability, as required by the Improving America's Schools Act and the President's Goals 2000: Educate America Act. Each school has developed a school improvement plan. This school improvement plan is a long term planning framework that contains specific goals and strategies for meeting those goals. Each school will be held accountable for meeting their goals which address student learning. In terms of improving the per pupil expenditure at elementary and secondary school levels, the fiscal year 1999 budget request proposes a Weighted Student Unit (WSU) value of $3,124, an increase from $3,062 per WSU in fiscal year 1998.

Question. The highest drop out rate (36 percent) in this country is among Indian students. They also have the lowest graduation rate from high school and the lowest attendance rates for college. With the current studies about the poorest facilities in the nation and the lowest per capita expenditures, we can only begin to address these vital concerns if your Department begins to take the lead in fully explaining this situation to us.

Answer. Education research verifies that the physical condition of a school does affect the students' performance. Factors, such as inadequate heating systems, inadequate lighting and unsafe classroom buildings, all have a negative effect on student learning and performance. However, in spite of the poor condition of school facilities

in Indian Country, the Bureau has taken steps to improve academic programs at BIA-funded schools. For example, the Bureau is fully implementing the Government Performance Results Act (GPRA), the Improving America's School Act (IASA) and the Goals 2000: Educate America Act within its school system.

In accordance with GPRA, Goals 2000, and IASA, BIA schools are in the process of reforming their instructional programs. Each BIA school has developed and is implementing a Consolidated School Reform Plan (CSRP) and is collecting the baseline data necessary to establish good annual performance indicators. Each CSRP provides a detailed, strategic framework for instituting more challenging curriculum standards and assessment procedures; creating better governance, accountability and management processes; and implementing benchmarks, timelines and other monitoring tools. In fiscal year 2000, the schools will fully implement their CSRPs and be held accountable for their progress.

BIA schools are also implementing new content standards that match national standards, the standards of the state in which the school is located or a combination of state, national, and locally developed standards. Each school will have new standards and a new assessment system in place by the Year 2000. BIA schools will follow their state assessment system or adopt a system that utilizes authentic assessment and the California Learning Record.

These changes are expected to result in improved student attendance and retention, and better overall student learning in Indian Country.

SURPLUS LAND DISPOSAL

For several months, I have been working on a proposal to provide an incentive for the BLM to sell or exchange lands which have been identified as "suitable for disposal" pursuant to section 202 of FLPMA. The vast majority of these lands are in small, hard-to-manage tracts, and their disposal would benefit the Bureau, as well as the surrounding communities.

In early February, I met with representatives from the administration, including the Department of the Interior, the Department of Agriculture, the Council on Environmental Quality, and the Office of Management and Budget to discuss this proposal. At the meeting, I received a very favorable response, and I informed those present that I wanted to continue to work with the administration on this proposal, to ensure not only that it would be a workable proposal, but that it would be a program that the administration would support.

Since that meeting, my staff met with Assistant Secretary John Berry, and BLM Director Pat Shea, to review legislation that I intended to introduce, and to ask for comments and suggestions. To date, I have received no response.

Question. Do you have any suggestions for developing a program to begin the process of selling or exchanging the 4 to 6 million acres of land that the BLM has identified as "suitable for disposal" across the west?

Answer. FLPMA Section 102(a)(1) requires the BLM to retain public lands in public ownership unless, as a result of land use planning, it is determined to be in the public interest to dispose of the lands. The lands you refer to as "suitable for disposal" are those lands identified through land use planning for disposal. Those lands can be exchanged using a public interest determination as the guide. The lands can be sold if they are determined to be (1) difficult to manage based on location; (2) acquired for a purpose no longer needed; and (3) more important for local economic development which cannot occur on private lands. Based on these legal requirements, the BLM is currently selling and exchanging these lands. BLM sells an average (3 year average) of 5,000 acres annually generating receipts of $2.5 million and exchanges an average of 150,000 acres valued at $60 million each year.

It is important to note that those lands identified as "suitable for disposal" are within areas where the BLM has generically determined that Federal ownership is not beneficial to the public. The lands identified are not ready to dispose of without completing the required resource clearances, hazardous materials review, NEPA analysis, appraisal and public review. Upon a more detailed review, some of those lands will be determined to be better suited to remain in Federal ownership due to critical resource values discovered. It may also be determined that the lands should be conveyed to local government through the Recreation and Public Purposes Act for schools, ball fields, parks, hospitals, etc. The remaining lands will be considered for disposal after consultation with local government. Under current funding this is all of the land disposal actions BLM can accomplish in a given year. It is important to note that given additional funds land exchanges could increase somewhat but land sales can not increase.

Question. Could the administration support the use of proceeds from surplus land sales to fund initiatives such as endangered species?

Answer. The Bureau of Land Management (BLM) and Department of the Interior oppose the concept of using proceeds from land sales to fund the landowner incentive program of the Endangered Species Act. It has been estimated that the receipts needed to fund the incentive program amount to $70 million per year for five years, totaling $350 million. BLM's current land sale program generates $2.5 million annually or $12.5 million over five years. To increase the number of land sales to generate receipts of $70 million annually would have extreme consequences on both public and private land values in the western United States.

Additionally, an increase of sale activity of this magnitude (a 30 fold increase) would seriously erode BLM's ability to complete other priority work and divert resource professionals from processing and issuing important land use authorizations and managing other critical resource programs. The cost of clearances for cultural resources, hazardous materials, and other resource values for much of this land is prohibitive to such a sale program. Isolated acreage with no access will not only have very low competitive values but will have very few, if any, interested purchasers.

The BLM has a responsibility to the taxpayer to manage the public lands for multiple use management. We must assure that the natural resources as well as the health and welfare of public land users are protected as a part of our day to day work. Spending public funds to sell large amounts of public lands is in direct conflict with this responsibility. BLM's organic act, the Federal Land Policy and Management Act of 1976, requires these public lands to be retained in Federal ownership unless identified through land use planning for disposal. A massive sell off of these lands will devalue the public's assets. A nation with a growing population can ill afford to sell its legacy and its future.

VANISHING TREASURES

Last year, the administration proposed a new initiative called Vanishing Treasures, to assist 41 park units in the Southwest in the stabilization and maintenance of ruins and other cultural resources within the park units. I worked with this subcommittee to secure funding for this initiative, and Congress provided $1 million in 1998 to get the initiative underway, and $2 million for historic structures stabilization.

This year, I do not find the Vanishing Treasures initiative among the administration's funding priorities.

Question. Does the administration continue to support the Vanishing Treasures initiative?

Answer. Yes. The President's fiscal year 1999 budget continues funding at the $1 million level for the Vanishing Treasures initiative, the level appropriated in fiscal year 1998. Of the total, $453,000 has been included in the base operating budgets at eight parks and $547,000 will be used for project preservation, training, and project management.

Question. Have fiscal year 1998 funds been obligated in relation to this initiative? If so, how much, and at which parks?

Answer. The $1 million in funding provided for the Vanishing Treasures initiative in fiscal year 1998 is being spent as follows: $453,000 was transferred to base operating budgets of eight parks to hire eleven permanent individuals; $40,000 was devoted to training expenses; $497,000 was utilized to fund six of the 44 projects which had been identified as the most acute needs; and $10,000 was used to provide project management, monitoring, and a peer review system to evaluate program efficiency and effectiveness. The following table itemizes the distribution of operations and project funding by park.

DISTRIBUTION OF OPERATIONS AND PROJECT FUNDING BY PARK

Park unit	Operations funding	Project funding
Aztec Ruins National Monument	$84,000	$75,000
Mesa Verde National Park	67,000	.....
Salinas Pueblo Missions National Monument	33,000	25,000
Chiricahua National Monument	34,000	.....
Navajo National Monument	33,000	.....
Tonto National Monument	51,000	125,000
Tumacacori National Monument	91,000	22,000
Flagstaff Areas (Wupatki, Walnut Canyon, Sunset Crater)	60,000	125,000

DISTRIBUTION OF OPERATIONS AND PROJECT FUNDING BY PARK—Continued

Park unit	Operations funding	Project funding
Chaco Culture National Monument	.....	125,000
Total	453,000	497,000

QUESTION SUBMITTED BY SENATOR LARRY CRAIG

Question. This Appropriations Subcommittee funds Natural Resource Damage Surveys for the purposes of Superfund evaluations. The funding has been considerable. Please supply for the Subcommittee a breakdown of this funding for the past five years that includes the specific geographic area surveyed, the monies expended by agency with a breakout of any monies that were distributed to other entities for survey or other work, and the categories of work (water surveys, land surveys, remediation work, litigation work, etc.) for which the monies were expended, the filing of any claims resulting from these evaluations and the settlement of these claims.

Answer. The purpose of Natural Resource Damage Assessment Fund (NRDA Fund) is to provide funding necessary to perform natural resource damage assessment activities which provides the basis for claims against responsible parties for the restoration of injured natural resources. The NRDA Fund provides funding to support damage assessment activities for the bureaus in the Department with management responsibility for natural resources under the trusteeship of the Secretary. Assessment activities may include injury determination, injury quantification, and a determination of the appropriate restoration measures or costs to restore the injured resources. Funding provided by the NRDA Fund is restricted to natural resource damage activities and is not used to perform response activities. Assessments and the development of claims through the assessment process ultimately lead to the restoration of injured resources and reimbursement of reasonable assessment costs from responsible parties through negotiated settlements or other legal actions by the Department. To date, the majority of natural resource damage claims developed by the Department have been settled through negotiated settlements. The only claims that the Department has assessed that currently are in litigation are U.S. v. ASARCO (Whitewood Creek, South Dakota), *U.S.* v. *Montrose Chemical Corp.*, (Montrose, California), and *U.S.* v. *Homestake Mining* (Coeur d'Alene Basin, Idaho). The following table presents the funding for the past five years, fiscal year 1993 through fiscal year 1997, along with the other information requested. *U.S.* v. *ASARCO* is not shown on the table as it was first funded in fiscal year 1998.

U.S. DEPARTMENT OF THE INTERIOR—NATURAL RESOURCE DAMAGE ASSESSMENT FUND

[Project allocation of appropriated funds for the past five years, fiscal years 1993–97]

Fiscal year	Site and State	Amount	Type of work conducted	DOI bureaus involved at site	Restoration settlement	Settlement amount received into NRDAR fund	Dates received	Restoration settlement—amount received into court registry accounts	
								Dollars	Other (in-kind contributions)
1993	*American Trader* oil spill, California.	$98,000	Damage assessment	FWS	Shared settlement received in 1995 and 1998.	$3,017,304	1995 and 1998		
1994	...do	30,000	...do	...do					
	Subtotal	128,000							
1993	*Apex Houston oilspill, California.*	36,000	...do	...do	Shared settlement received in 1994.	5,013,930	1994		
1993	Cantara Loop train derailment, California.	79,000	...do	...do	Restoration settlement in Court Registry Account.			$19,000,000	
1994	...do	25,000	...do	...do	DOI Fund received payment for past costs.	61,093	1996		
	Subtotal	104,000							
1993	Cherokee County NPL Site, Kansas.	30,000	...do	...do	Case ongoing, 2 partial settlements reached.				
1994	...do	150,000	...do	...do	Received proceeds from 2 bankruptcy settlements.	1,672,038	Received 1994–97		
	Subtotal	180,000							
1993	Coeur d'Alene Basin (Bunker Hill), Idaho.	1,168,000	...do	FWS, BLM, USGS.	Case ongoing				
1994	...do	3,000,000	...do	...do	Partial settlement (bankruptcy) with one PRP.	500,000		8,000,000	
1995	...do	2,650,000	...do	...do					
	Subtotal	6,818,000							

1993	Commencement Bay, Washington.	297,450	...do	FWS	Restoration settlement in Court Registry Account.			12,000,000	
1994	...do	300,000	...do	...do	...do			1,000,000	Plus approximately $6,377,000 in-kind
1995	...do	299,000	...do	...do	DOI Fund received payment for past costs.	538,489			
1996	...do	230,000	...do	...do					
	Subtotal	1,126,450							
1995	Clark Fork (Grant Kohrs Ranch), Montana.	200,000	...do	NPS, BLM, FWS	Case ongoing				
1994	Elliott Bay, Washington	50,000	...do	FWS	Restoration settlement in Court Registry Account.			17,125,000	Plus $7,000,000 in-kind from PRP's (land and services)
1995	...do	55,000	...do	...do					
	Subtotal	105,000							
1993	Fox River/Green Bay, Wisconsin	105,000	...do	FWS, BIA	Case ongoing				
1994	...do	235,000	...do	...do					
1995	...do	830,000	...do	...do					
1996	...do	1,476,000	...do	...do					
1997	...do	1,783,000	...do	...do					
	Subtotal	4,429,000							
1993	Hudson River, New York	77,000	...do	FWS, NPS	Case ongoing				
1994	...do	20,000	...do	...do					
1995	...do	175,000	...do	...do					
1996	...do	60,000	...do	...do					
	Subtotal	332,000							
1993	Indiana Harbor/Grand Calumet River, Indiana.	100,000	...do	...do	Case ongoing				
1994	...do	135,000	...do	...do					
1995	...do	205,000	...do	...do					

U.S. DEPARTMENT OF THE INTERIOR—NATURAL RESOURCE DAMAGE ASSESSMENT FUND—Continued

[Project allocation of appropriated funds for the past five years, fiscal years 1993–97]

Fiscal year	Site and State	Amount	Type of work conducted	DOI bureaus involved at site	Restoration settlement	Settlement amount received into NRDAR fund	Dates received	Restoration settlement—amount received into court registry accounts	
								Dollars	Other (in-kind contributions)
1997	...do	280,000	...do	...do					
	Subtotal	720,000							
1994	Iron Mountain Mine, California	34,000	...do	FWS, BLM, BOR.	Case ongoing				
1995	...do	50,000	...do	...do					
1996	...do	100,000	...do	...do					
1997	...do	149,500	...do	...do					
	Subtotal	333,500							
1993	Jamaica Bay/Gateway National Recreation Area, New York.	600,832	...do	FWS, NPS	Case ongoing				
1993	Montrose, California	973,832	...do	FWS	Case settled with one PRP group—.				
1994	...do	476,000	...do	...do	Shared restoration settlement in court registry account.			12,000,000	
1995	...do	87,203	...do	...do	DOI fund received payment for past costs.	1,200,000	1993–94		
1996	...do	365,000	...do	...do	2d settlement of $23.7 million being challenged by group of nonsetting parties.				
1997	...do	85,000	...do	...do					
	Subtotal	1,987,035							
1997	Niagara River, New York	145,000	...do	FWS	Case ongoing				
1996	Penabscot River, Maine	185,000	...do	BIA	Case ongoing				

1997	...do	10,000	...do					
	Subtotal	195,000						
1993	Saginaw River and Bay, Michigan.	89,781	...do	FWS, BIA	Case ongoing			
1994	...do	300,000	...do	...do	Agreement in principle w/PRP for dredging work.	230,000	1997	
1995	...do	391,000	...do					
1996	...do	280,000	...do	...do				
	Subtotal	1,060,781						
1995	Santa Clara River oilspill, California.	40,000	...do	FWS	Shared settlement received April 1997.	7,285,585		
1993	St. Lawrence environment, New York.	20,000	...do	FWS, BIA	Case ongoing			
1994	...do	10,000	...do	...do				
1995	...do	65,000	...do	...do				
1997	...do	175,000	...do	...do				
	Subtotal	270,000						
1993	Tenyo Maru oilspill, Washington.	94,000	...do	FWS	Restoration settlement in Court Registry Account.			5,116,000
1994	...do	417,000	...do		DOI fund received payment for past costs.	161,991	1995	
	Subtotal	511,000						
1993	Upper Arkansas River/California Gulch, Colorado.	183,000	...do	FWS, BLM, BOR.	Case ongoing			
1996	...do	161,000	...do	...do				
1997	...do	220,000	...do	...do				
	Subtotal	564,000						
1995	Venac/Bayou Meto, Arizona	185,000	...do	FWS	Partial settlement (bankruptcy) with one PRP.	126,000		

U.S. DEPARTMENT OF THE INTERIOR—NATURAL RESOURCE DAMAGE ASSESSMENT FUND—Continued

[Project allocation of appropriated funds for the past five years, fiscal years 1993–97]

Fiscal year	Site and State	Amount	Type of work conducted	DOI bureaus involved at site	Restoration settlement	Settlement amount received into NRDAR fund	Dates received	Restoration settlement—amount received into court registry accounts	
								Dollars	Other (in-kind contributions)
1996	...do	220,000	...do	...do					
1997	...do	290,000	...do	...do					
	Subtotal	695,000							
1997	Westinghouse PCB's, Indiana	5,000	...do	FWS	Case ongoing				
1994	Yavapai-Prescott site, Arizona	120,000	...do	BIA	Tribe has settled with PRP, DOI negotiating repayment of DOI-funded assessment costs from tribe.				
1995	...do	60,000	...do	...do					
	Subtotal	180,000							
	Total funds	20,765,598				19,806,430		73,241,000	

QUESTIONS SUBMITTED BY SENATOR BYRD

OVERALL BUDGET

The proposed fiscal year 1999 budget for the Department of the Interior, for those programs which fall within the jurisdiction of the Interior Subcommittee, recommends increases totaling some $473 million above the fiscal year 1998 enacted level. Overall, the President has proposed increases across the breadth of the Interior bill of nearly $1 billion above the comparable fiscal year 1998 levels. (This comparison in terms of total changes treats the special $699 million land acquisition program as the "one-time" initiative it was considered to be in the budget agreement.

Question. If only a small portion of the proposed increases can be provided where would you place the Department's priorities?

Answer. The President's budget for fiscal year 1999 was carefully crafted to fund important priorities for the environment and for Indian people, and it fits within the context of the President's proposal to balance the budget for 1999. These priorities include preserving and restoring our natural resources and ensuring good science is used in managing these resources, ensuring safe visits to national parks, refuges, and other public lands, and maintaining our commitments to Native Americans, including law enforcement, education and trust responsibilities. It provides a blue print that if followed by the Congress, will allow the Congress to join in supporting these vital programs.

Question. How much of the proposed increase for fiscal year 1999 is linked strictly to maintaining current levels of service (fixed costs) and is not associated with new or enhanced programs?

Answer. The Department's request for uncontrollable cost increases (fixed costs) totals $105 million. The largest item in this total is the amount associated with pay raises, $72.8 million. Other fixed cost increase items include federal retirement system costs, workers and unemployment compensation, rental payments, facility security, and working capital fund charges.

Question. Are fixed costs a higher priority than new initiatives or program expansions?

Answer. The Department of the Interior is the third most personnel intensive agency among all the major cabinet departments. It has reduced staff by 15 percent over the past four years (1993 through 1997). Covering pay costs to maintain our basic operations is one of our highest priorities. On the other hand our programmatic responsibilities have grown and pressures on the environment have also grown. It is important for our Nation and our children's future that in addition to continuing to operate our current programs, we make progress in restoring and protecting the environment and our heritage through our land acquisition programs, Everglades restoration, innovative partnerships to protect endangered species, saving our historical and cultural treasures, investing in the education of Indian children, and providing a scientific basis for our land management decisions.

Question. What does it mean to the Department's field units—the parks, refuges, BLM field areas, Indian schools and the like—when fixed costs are not addressed?

Answer. When fixed costs are not specifically funded, Bureaus and Offices must reduce programs supported by their respective appropriations, with consequent impact on program performance. In some cases the only way to meet these increased costs will be to reduce employment beyond the 12,000 positions already eliminated over the last three-and-one-half years. The personnel intensive nature of our mission responsibilities makes the lack of funding for uncontrollable costs particularly devastating. If uncontrollables are not covered, program performance is reduced, often resulting in reduced services to the visiting public, natural and cultural resource degradation, as well as health and safety concerns at schools, facilities and other infrastructure.

Specific examples of the impact of not funding uncontrollables follows:

In the Office of the Secretary, where the salaries and expenses account has absorbed over $23 million in uncontrollable cost increases over the past 15 years, absorbing an additional $1,860,000 in 1999 will force additional FTE reductions. In 1984, 725 FTE were paid from this account; in 1997 that number had dropped to 389 FTE. Such drastic reductions impairs the Secretary in the performance of his mission responsibilities.

In the Bureau of Indian Affairs the effect of absorbing pay costs strikes hardest at those programs that are the most people-intensive. For example, about 75 percent of the operating cost of the BIA law enforcement program supports the law officer and detention facility staffs. To offset the effective reduction in program funding resulting from absorbing pay cost adjustments, reservation police departments will

have to reduce the patrol hours that they currently log. Other BIA personnel-cost sensitive programs are road maintenance programs, housing, and natural resource development, all of which already have backlogs that will now only get worse.

The reduction in uncontrollable costs would seriously erode program productivity as managers offset the reduction by lowering personnel usage in the Bureau of Land Management. Such a reduction will affect the timeliness of mining plan reviews and oil and gas lease issuance. Fewer rights-of-way and withdrawal review cases will be processed. The miles of cadastral surveys accomplished will fall. Smaller numbers of wild horses will be removed from public lands, thereby stressing the health of animal and plant populations sharing these lands. In the Wildland Fire Management Program the lack of funding for uncontrollables translates into fewer resources for fighting fires.

The impact will be severest on those programs for which managers must have staff flexibility at some point in the year to carry out. One example of this type of program is BLM's Challenge Cost Share program. The reduction in funds through failure to offset uncontrollable cost increases will diminish the opportunities field managers have to assign staff to this program to work along side local-government employees and the public, weakening the strong relationship that has been built between BLM and the communities that border public lands.

In the FWS and NPS, the absorption of the federal pay and retirement cost increases will make it very difficult for programs to maintain their 1998 performance levels in addition to new requirements mandated by the 1999 annual plan. Visitor contact hours would be reduced and other operational requirements would not be met.

Absorption of uncontrollable costs in the USGS would adversely impact ongoing operations and anticipated activities and investments. For example, USGS would stop, or not start, cooperative hydrologic studies supporting State and local agencies and it will shutdown streamflow gaging stations. The effective funding reduction would delay by one year completion of national coverage of geospatial data. The USGS would also reduce field work in all programs, including planned installation, maintenance, and upgrading of hazard monitoring devices and telemetry systems and reduce ongoing research, including research on invasive species. The absorption of uncontrollables may also impede Congressional intent in providing a programmatic increase for the Cooperative Research Unit program to fill vacancies.

Question. If the Subcommittee is held at an allocation that is roughly comparable to the fiscal year 1998 base program, what would you consider to be the highest priority issues that need to be addressed when the Subcommittee considers your proposed fiscal year 1999 budget.

Answer. If the overall mark were held to fiscal year 1998 levels, we would still have to cover increased pay costs, effectively reducing overall programs by over $105 million. As mentioned above the quality of services in parks, refuges, and recreation sites would deteriorate, as would the condition of facilities. The implications of a continuing decline in park and refuge staff, teachers in Indian schools, law enforcement personnel, scientists, and land managers would be staggering. The Department could not meet its statutory mandates. We are hopeful that the President's request can be considered as a whole, rather than having to make these difficult choices among competing needs.

Question. What will it mean to the Department of the Interior's presence in my State of West Virginia if the funding requested in fiscal year 1999 is not appropriated? Do you anticipated any changes in staffing, or office closures, or program terminations?

Answer. In our April 1998 "Distribution of Budget Authority by Congressional District/State Report", the Department estimates the State of West Virginia will receive $92.5 million in fiscal year 1999, as compared to $102.0 million in fiscal year 1998. fiscal year 1999 funding is less than fiscal year 1998 primarily due to the difference in construction and land acquisition project funding in the Fish and Wildlife Service and the National Park Service.

The Department's request would primarily provide uncontrollable cost increases, refuge operations increases, and increases in OSM's AML fund. Funding is also included for land acquisition at Canaan Valley National Wildlife Refuge and New River Gorge National Recreation Site. If the Department receives fiscal year 1998 enacted funding plus funding to cover uncontrollable costs in fiscal year 1999 in its operating programs, we would not anticipate office closures, staffing changes or program terminations, except as proposed in the fiscal year 1999 President's Budget. Funding below this level, however, could lead to such actions, depending upon the magnitude of the cuts and the specific programs targeted.

FISCAL YEAR 1998—TITLE V LAND ACQUISITION FUNDING

Pursuant to last year's budget agreement, the fiscal year 1998 Interior bill included a special one-time $699 million land acquisition account. While some of the funds were identified for particular purchases (Headwaters Forest, CA and New World Mine, MT), the remaining funds are to be used for traditional land acquisition projects.

The Administration has forwarded a proposed distribution of funding to the Appropriations Committees for review, and the next step will be for the House and Senate Interior Subcommittees to determine a final approved list of expenditures, pursuant to the terms contained in Title V of Public Law 105–83.

Question. Are there any proposed acquisitions in the Department's list that are particularly time-sensitive? If so, what are the circumstances that would jeopardize the acquisition if the list is not approved soon?

Answer. Yes, a total of $60.9 million in 28 projects on the lists of three bureaus are time-sensitive. Often, acquisitions have options that will expire, are subject to development, have willing sellers who will not wait indefinitely, or will require new costly re-appraisals if the delays continue.

The six BLM projects totaling $8.5 million are Bodie Bowl in California, Sacrifice Cliff in Montana, La Cienega in New Mexico, Lopez Island in Washington, Upper Snake/South Fork Snake River in Idaho, and Three Island Crossing/Oregon NHT in Idaho. Additionally, acquisitions at these sites will be complete except for La Cienega and Upper Snake/South Fork Snake River.

The four FWS projects, totaling $17.4 million are Balcones Canyonlands in Texas, Cabo Rojo Salt Flats in Puerto Rico, Don Edwards San Francisco Bay NWR (Bear Island purchase) in California and Great Meadows NWR (O'Rouke Farm). The Bear Island purchase completes acquisition on the Island.

The 18 NPS projects totaling $35.0 million are Acadia NP in Maine, Channel Islands NP in California, Chattahoochee River NRA in Georgia, Cumberland Island NS in Georgia, Delaware Water Gap NRA in Pennsylvania, Ebey's Land NH Reserve in Washington, Gettysburg NMP in Pennsylvania, Haleakala NP in Hawaii, Hopewell Culture NHP in Ohio, John Day Fossil Beds NM in Oregon, John Muir NHS in California, Monocacy NB in Maryland, Olympic NP in Washington, Pecos NHP in New Mexico, Salt River Bay NHP & Ecol. Pres. in Virgin Islands, Santa Monica NRA (Completes Backbone Trail), Stones River NB in Tennessee, and Voyageurs NPS in Minnesota.

Question. To what extent do you anticipate any additional operational or staffing requirements with the projects that have been identified?

Answer. Each bureau plans for any new operational or staffing for identified projects on an annual basis within overall funding levels. Often acquisitions add an additional parcel of land to an existing unit and may not require new operational funds or staff. In some cases, consolidation of ownership may save costs that result from fragmented ownership patterns. When new staff are required to be added, bureaus often assign staff from other existing units.

Question. Are any of the funds proposed to be used to establish new units?

Answer. Two BLM acquisitions and four FWS acquisitions on the Title V lists represent requests for new appropriated funding, though not necessarily new units. No funding is requested for new National Parks but funds are included for acquisition management over the four years that funds are available.

In BLM, Lechguilla in New Mexico is a proposal to acquire oil and gas lease interests beneath existing BLM lands; while the acquisition at Three Island Crossing/Oregon NHT in Idaho would represent a new start.

In FWS, funding for the North Dakota Prairie and the South Dakota Prairie would be for new areas, like a wetlands project, but are not new refuges. The Black River proposed acquisition is a unit in the Nisqually NWR in Washington. The request for the Fort Pierre Eagle Roost in South Dakota would establish a new refuge.

One of the allowable purposes of this account, as provided for in the appropriations language, is to address maintenance backlogs of the public land agencies. Yet in the proposal, the Administration has recommended that just $20 million of the $362 million not specified for particular projects be spent on maintenance.

Question. With backlogs for the Department estimated to be in the hundreds of millions of dollars, why did you choose not to recommend more of the funding for these purposes?

Answer. The fiscal year 1999 budget requests an increase of $82 million over the $464 million appropriated in fiscal year 1998 for maintenance. In addition, tens of millions of dollars of recreation fee demonstration funds collected at NPS units in fiscal year 1997 and fiscal year 1998 are available to be used for maintenance.

Question. How does the estimated cost of the backlog of land acquisitions, defined as inholdings within established boundaries, compare with the maintenance and major repair/rehabilitation backlogs?

Answer. We are working to develop more exact numbers for maintenance and major repair/rehabilitation infrastructure needs. For land acquisition, NPS maintains a list of estimated needs that totals $1.3 billion, excluding acquisition needs in Alaska. This list is compiled and maintained using a computerized database and value estimates submitted by Regional personnel. FWS estimates that it has approximately $2.4 billion in acquisition needs registered on the Land Acquisition Priority System (LAPS) list.

Question. When there are so many parcels with willing sellers at established parks or refuges, what is the justification for proceeding with new units? Doesn't this just add to the backlog problem?

Answer. The National Park Service in recent years has been concentrating its efforts increasingly on acquiring lands within established parks. Only Congress can add new units to the NPS system.

The Fish and Wildlife Service acquires land or interests in land to protect wildlife habitat when other options are not available. Time delays result in a greater threat to the resource and a greater final cost.

Acquiring new units does add to the backlog of properties to be maintained, but sometimes the historic or natural resource is of such importance that to fail to secure it for future generations of Americans would be an irreversible and regrettable action.

NATIONAL CONSERVATION TRAINING CENTER

Mr. Secretary, on a glorious Saturday last fall, you and Fish and Wildlife Service Director Jamie Clark joined me in dedicating the National Conservation Training Center (NCTC). It is truly a spectacular facility and one for which I believe all in the Service and the Department can be proud.

Question. What has been the experience since the facility opened last year? Has the NCTC met expectations?

Answer. Since the facility opened in October 1997, over 5,000 participants from the United States and a dozen countries have attended training programs at the Shepherdstown campus. There is a continuing high level of interest in planning and scheduling NCTC programs during fiscal year 1999. The FWS believes that the NCTC has already exceeded expectations and has established itself as a premier conservation training facility.

Question. What response and use of the training center is the Service receiving from other entities? Has the Center been able to respond to demand?

Answer. Since the facility opened, over 60 organizations have sent students to NCTC. Among the other organizations that have programs at the NCTC are the Bureau of Land Management, National Park Service, USDA Forest Service, Environmental Protection Agency, Bureau of Indian Affairs, The Land Trust Alliance, and The Conservation Fund.

Demand for use of the NCTC has been strong. So far, the FWS has managed the many requests for use of the facility, although the 100 beds currently available have not been sufficient to address lodging needs for all NCTC participants. The NCTC has worked closely with area hotels to place overflow business offsite. The completion of the third lodging unit will accommodate 50 more participants on campus. On campus residence is preferable because it promotes communication and networking among participants which leads to increased problem solving and cooperation on resource issues.

Question. To assist with phasing of funding, the third dormitory is presently under construction and anticipated to be completed this winter (February). Are things still on schedule for this completion? Are sufficient funds available to furnish and equip the dorm once completed?

Answer. Construction for the third lodging unit is on schedule and sufficient funding is available to complete construction and furnish the dormitory.

Question. The fiscal year 1999 budget for the training center is essentially level with last year, except for adjustments for fixed costs. Will there be additional costs to NCTC associated with completion of the third dormitory, thus increasing the overnight capacity by a third?

Answer. No additional appropriations for NCTC operations will be required to accommodate the planned increase in residential students when the third dormitory becomes available. These students will be charged for room and meal expenses.

Question. What steps are being taken to ensure that the Service remains "ahead of the curve" at the NCTC in terms of maintenance, upkeep, and fully addressing the operating capacities of the Center?

Answer. The FWS is amending the Maintenance Management System to include the NCTC facility and is conducting a study to determine the specific maintenance needs of the facility. Without giving away the "inner workings" of the Department's fiscal year 2000 budget formulation process, it is safe to say that the Department will be including the NCTC in the development of the five year plan for maintenance needs and evaluating the needs of the NCTC against other maintenance priorities.

Question. Will BLM and NPS continue their support in fiscal year 1999 at a level of $500,000 each, as was first appropriated in fiscal year 1997, and continued in fiscal year 1998? Should the money stay in the bureaus, or be transferred to FWS budget so all NCTC funds are in one place?

Answer. Yes. The FWS anticipates receiving $500,000 each from BLM and NPS in fiscal year 1999. This funding is used for operational costs of the NCTC facility and to fund liaison positions from BLM and NPS. The Department plans to use this protocol in the future as well.

CANAAN VALLEY NATIONAL WILDLIFE REFUGE

LAND ACQUISITION

Mr. Secretary, to date, Congress has provided a total of $11 million for land acquisition at Canaan Valley. The Department also has identified an additional $1 million for Canaan Valley as part of the Title V, $699 million proposed list, and $1 million is included in the Department's fiscal year 1999 budget request.

Question. If I recall correctly, Mr. Secretary, the boundaries of the Canaan Valley National Wildlife Refuge encompass some 24,000 acres. How many acres have been acquired and are expected to be added to the refuge with the funds provided in the fiscal year 1998 regular bill?

Answer. Through fiscal year 1997, the FWS has acquired 825 acres. The fiscal year 1998 planned acquisitions total 1,875 acres, including lands purchased with North American Wetlands Conservation grant funds.

Question. So, there is still plenty of acreage within the boundary that has not yet been acquired. Has the Fish and Wildlife Service identified other important properties with high resource values for which there are willing sellers?

Answer. Yes, the FWS has identified a number a important properties with high resource values for which there are willing sellers. For example, and for the long-term, the FWS is currently negotiating with ten landowners of 1,800 acres with an estimated value of $8.5 million. These acquisitions would help consolidate and protect the most threatened area of the valley and are part of the long-term strategy for land acquisition at the refuge. However, the Administration has requested $1.0 million for fiscal year 1999 for the highest priority acreage, due to competing demands elsewhere.

Question. How much additional funding could FWS spend for land acquisition at Canaan Valley in fiscal year 1999?

Answer. The President's Budget request for fiscal year 1999 requests $1.0 million to acquire an additional 265 acres at the Canaan Valley NWR. In addition, the Administration has requested a further $1.0 million as part of the Title V funding appropriated in fiscal year 1998. This request is also pending Congressional approval.

Last year, as a result of the significant operational increase provided for the national wildlife refuge system, the FWS received sufficient funds to establish a refuge staff and to locate an office near the refuge, in the valley, rather than 30 miles away.

Question. What progress is being made to hire a staff at the refuge and locate office space in the valley?

Answer. A maintenance worker was hired and has been on site since October 1997. Selection of a manager is imminent. The advertisement for an office automation assistant has closed and a selection is imminent. A biologist position will be advertised for a three week period beginning on May 4, 1998.

The FWS will establish a local address in the valley in June 1998. If a property cannot be purchased, temporary quarters will be established in a rental unit; however, a property is under consideration for purchase. The property includes a residence that can be converted to office space and a structure that can be used as a maintenance shop. An offer to purchase the property is about to be submitted by The Conservation Fund. If the offer is accepted, the closing on the property could

occur by June 22, 1998. To expedite procurement of office furniture and equipment, purchase orders are prepared and will be submitted when office space is obtained.

Question. At the end of last year, the previous refuge manager retired. Are efforts underway to hire a permanent replacement?

Answer. Yes, a new manager is expected to be in place by August 1998.

Question. How many refuges are now part of the system? How many of these have no or only custodial staffing levels?

Answer. The National Wildlife Refuge System includes 514 National Wildlife Refuges and 37 Wetland Management Districts. There are 320 staffed National Wildlife Refuges and 27 staffed Wetland Management Districts. There are 194 National Wildlife Refuges and 10 Wetland Management Districts with no staff on the site to manage wildlife resources or public use. Approximately 114 of these stations should remain unstaffed because they are either a mix of remote islands, small sized refuges that lack major resource threats, or refuges that are in close proximity to other staffed refuges and can be effectively monitored from those locations.

While there is no standard definition of custodial status, many refuges are currently only able to provide the most basic services. In addition to the 194 unstaffed National Wildlife Refuges, many refuges have fewer than five staff. At the beginning of this fiscal year on refuges outside of Alaska, there were: (1) 580 refuge managers (1.8 per staffed field office or 1 refuge manager per 28,200 acres); (2) 576 maintenance workers (1.8 per staffed field office or 1 maintenance worker per 28,500 acres); (3) 305 wildlife biologists (1 per staffed field office or 1 biologist per 53,000 acres); and (4) 254 public use and law enforcement specialists (.8 per staffed field office or 1 public use specialist per 120,000 visitors).

Staffing needs have been addressed in both the 1998 and 1999 President's Budgets, with operations increases targeted towards the highest priority on-the-ground needs. Part of these projects have involved the hiring of on-the-ground staff. The 1999 President's Budget includes an operations increase of $15.0 million and 84 FTE for the highest priority projects.

PROPOSED NEW FWS REGIONAL OFFICE

Last summer, Mr. Secretary, you put forward a proposal to establish a new regional office for the Fish and Wildlife Service in California. The objective of this proposal was to be able to respond better to the many endangered species and resource issues in California.

However, there were numerous concerns raised regarding the cost of this proposal and whether a regional office would be the most effective way to solve the problems.

Recently, the House Appropriations Committee rejected a reprogramming proposal that would have initiated this regional office in fiscal year 1998. Additional funds for implementation are contained in the fiscal year 1999 budget proposal.

Question. What are your current thoughts on this matter given the House's action?

Answer. On April 17, 1998, he Department proposed a scaled back operations office consisting of 9 FTE to provide line management and supervision of all field offices in California (including the Klamath ecosystem) and Nevada. The annualized costs of the office will be $1.2 million and the funds and staffing to establish and operate the office will be transferred from the regional office in Portland, Oregon. By letter of April 23, 1998, the House Appropriations Subcommittee approved this new office. By letter of May 6, 1998, the Senate Appropriations Subcommittee approved this new office.

Question. Have you considered an alternative proposal that would be a smaller regional office, but put more people "on the ground" to address the problems?

Answer. As discussed above, the Department proposed a scaled back operations office consisting of 9 FTE to provide line management and supervision of all field offices in California (including the Klamath ecosystem) and Nevada.

Question. What do you see as the consequences if a new Fish and Wildlife Service regional office is not established for California and Nevada?

Answer. The California/Nevada operations office is critical to provide hands-on leadership and improved service to the public for the Bay/Delta ecosystem restoration initiative, the Central Valley Project Improvement Act, the ongoing Salton Sea effort, endangered species issues, the public demand for habitat conservation planning assistance, and meeting the rapidly increasing expectation of refuge and fisheries facilities in California and Nevada. At the same time, the new office will allow the Portland Regional Office to be more responsive to the public and the Department's partner's in the Pacific northwest and the Pacific basin.

Question. Why do you view a regional office as more important than assigning persons "on the ground" to the various ecological services offices and affected refuges?

Answer. The Department considers the regional offices as one component of an effective three-pronged strategy to accomplish the FWS mission. The headquarters office, the regional offices, and the various field stations all perform important roles. Thus, the Department carefully evaluates the needs of the three interdependent organizational levels within the FWS and has requested the preponderance of increased funding for fiscal year 1999 for field station level program implementation among the various programs.

In regards to the refuge program, the Administration's fiscal year 1999 budget includes a requested increase of $25.9 million and 84 FTE for the refuge system for critical on-the-ground operations and maintenance needs. Refuge staffing has gone from 2,224 in 1996 to 2,306 in 1997 to 2,458 in 1998 to a proposed level of 2,542 in 1999 to keep pace with burgeoning on the ground implementation needs.

The ultimate goal of threatened and endangered species conservation is to recover listed species to levels where protection under the Endangered Species Act is no longer required and they can be removed from the list. The Department has spent five years improving the ESA through a series of administrative reforms which resulted in the recent announcement to move 29 species off the Endangered Species list or to the less critical "threatened" category during the next couple of years. The Administration's budget for fiscal year 1999 includes a requested funding increase of $35.8 million and 327 additional FTE (to a total of 1,197) to allow further progress with the ESA program to support both economic development and species conservation.

For fisheries programs, the Department has requested an increase of $4.4 million and 13 FTE to implement on-the-ground fisheries restoration actions including fish passage projects in high priority migratory corridors, native trout restoration projects, hatchery maintenance, and additional efforts to halt the spread of aquatic nuisance species.

By contrast, the Department has only requested pay and uncontrollable cost increases for existing regional offices.

Question. How much has been spent to date on division of the FWS Pacific Region Office?

Answer. No funding has been spent to date to implement the new California/Nevada operations office. As discussed above, the annualized costs associated with the nine person office is $1.2 million, which will be reprogrammed from the Portland, Oregon office. A onetime reprogramming of $0.9 million from the Portland, Oregon office will also be effected for relocation, furniture, and equipment costs.

Question. What are your planned outyear expenditures, beyond fiscal year 1999?

Answer. For planning purposes, the California/Nevada operations office would need increased funding to meet common "uncontrollable" cost increases such as pay and retirement. There are no plans to expand the office at this time.

Question. What are the staffing requirements of the new office(s)? Will the creation of the Pacific Southwest Regional Office require additional FTE's? If so, how many?

Answer. As discussed above, the office will be established with nine FTE, transferred from the current Portland, Oregon office.

DISASTER FUNDING

Last week, the Senate completed action on the emergency supplemental appropriations bill for disaster relief. The Senate bill recommends some $46 million for disaster recovery for your Department. Most of this is due to winter storms, flood damages from El Niño, and storm recovery from tornadoes, typhoons, and other weather-related events.

Question. The Senate bill declares these funds to be an emergency, and does not identify offsets to pay for these unanticipated costs. What would be the consequence to the Department of the Interior if offsets from within the Department are necessary to deal with the damages?

Answer. The Department proposed fiscal year 1998 Supplemental contained rescissions totaling $9.4 million. Offsets were proposed to the non-emergency elements of the supplemental request. The $9.4 million represented the entire amount identified through a thorough review of the Department's available balances. Further offsets would cause viable projects for which Congress previously appropriated funds to be reduced.

Question. Are there damages in excess of what the Senate recommended funding level will address? If so, how much?

Answer. The Department's current assessment of its storm related damage to date totals $67,748,000. S. 1768 approved $46,424,000 for the Department. The difference will be managed through shifting maintenance priorities or stabilizing sites until a regular appropriation can be requested.

Last year, funds were provided to address damages at Yosemite National Park, considered to be one of the "crown jewels" of the system.

Question. How is the recovery effort progressing? Will there be any disruptions for visitors this summer?

Answer. The recovery effort is fully engaged. Most projects are on schedule with the Yosemite Flood Recovery Action Plan submitted to Congress in November, 1997. That plan outlines a four-year timetable for substantial completion of flood related repairs. Throughout the past year, most NEPA compliance, emergency repairs, and preliminary planning for permanent repairs have been completed. A flood recovery management team is established in the park and reports to the Superintendent. A support and oversight process has been established at the Regional Office and Washington levels, with quarterly review by the Office of the Secretary of the Interior and House and Senate appropriations committees through the Flood Recovery Quarterly Reports.

One major project, the permanent rebuilding of the El Portal Road (7.5 miles of Highway 140 within the park), was delayed from January till September 1998. The delay was due to project bidding that reflected contractor anxiety about beginning a major earth-moving project in the middle of an El Niño winter. A rebidding process is now concluded, with expected award on June 1, 1998.

Day use visitors will experience only minor disruptions from recovery work this summer. Overnight accommodations remain essentially at 1997 levels. The 250 lodge units and 350 campsites destroyed by flooding are not yet replaced. Lodge construction is scheduled to start in June of 1998. Campground reconstruction is pending a Record of Decision on the Valley Implementation Plan/Supplemental Environmental Impact Statement expected by December 1998.

Concessioner service levels continue to be impacted by the loss of 439 bed spaces in Yosemite Valley. Yosemite Concession Services, the park's main lodging provider, has chosen to use 150 overnight visitor rental units to house employees and has also installed 84 temporary dormitory beds. This results in another 150 units being unavailable for overnight visitors, but continues the strategy established in the summer of 1997.

Question. What is the status of obligations for the funds provided in the fiscal year 1997 supplemental? How do current estimates for repairs compare to the estimates used in last year's appropriation?

Answer. As of March 31, 1998, $44,400,000 had been obligated on the recovery effort. Current projections call for obligations of an additional $50,000,000 this calendar year. Current estimates are generally running within 10 percent of original estimates. One project, the rebuilding of El Portal Road (Highway 140 within the park), has exceeded the original cost estimate by approximately 30 percent or $8,000,000. Natural and cultural preservation concerns, coupled with the precipitous nature of this Merced River canyon construction, have escalated project costs beyond the original estimate. At this time, we expect to manage the shortfall within the context of the entire $186,000,000 recovery authorization, applying savings from other projects wherever possible. This is a design/build project and has been through a negotiated bidding process with three of the country's largest road building firms. The Federal Highway Administration is in the process of certifying the "Best and Final Offers" and expects to award the contract on June 1, 1998.

CONSTRUCTION/MAINTENANCE BACKLOGS

Mr. Secretary, in recent months, there has been considerable attention paid to the infrastructure of the Interior Department and the efforts of the various bureaus to protect and maintain the resources which have been entrusted to the Department's care.

In response to concerns raised by Congress, and others, the Department has undertaken an effort to identify clearly its backlog problems and to develop a systematic means of seeking funding to address these issues.

Question. Can you provide a brief overview of what steps have been taken thus far, and what you perceive the necessary next steps to be, for this process?

Answer. The Assistant Secretary for Policy, Management and Budget established the first Department-wide criteria for prioritizing the fiscal year 1999 maintenance and construction lists. With critical health and safety and critical resource protection as highest priority for funding, bureaus submitted lists that were reviewed by the Department and were submitted to the Appropriations Committees.

A Departmental working group with bureau representatives has just completed establishing criteria for the 5-year Plan and for meeting the Federal Accounting Standards Advisory Board directions for reporting on Standard No. 6 in the annual financial report concerning deferred maintenance. These criteria have been provided to the bureaus in the fiscal year 2000 budget formulation guidance from the Department.

The bureaus will submit five years of projects with their fiscal year 2000 budgets and will be reviewed by the Department and OMB.

As part of the overall 5-year process, the Department and bureaus also will work on improving the quality of the data concerning the condition of the infrastructure.

Question. What success are you having with the bureaus in seeking to implement a new approach to review these projects—are they "buying in" and participating fully?

Answer. Yes, the bureaus are fully "buying in" and participating in the Maintenance and Construction Working Group that has developed the guidance for the five year plans.

Mr. Secretary, as you know, there are many projects each year that are brought to the attention of Members of Congress, oftentimes by the Department's on-the-ground managers and superintendents.

Question. How do you propose to deal with pressures to substitute, or add at the expense of other initiatives, alternative projects for items which may be identified in your 5-year plan?

Answer. The Department hopes that, by laying out a 5-year Plan based on clearly articulated criteria, consensus can be achieved on an orderly, efficient approach to funding line-item projects. There will, of course, be emergency and unforeseen requirements that emerge over the five year period, which will have to be accommodated within the plan.

Question. How are the special recreation demo fee revenues helping the bureaus to address critical requirements?

Answer. In fiscal year 1998, the National Park Service is beginning its program to use the fee demo revenues to benefit the parks including for visitation and maintenance needs. For example, in the list of 20 percent fees managed nationally that was submitted to the Subcommittee staff in February 1998, 33.5 percent of the projects address health and safety items.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

EXTINCTION

It has been reported to me that during the recent North American Wildlife Management Institute meeting in Orlando you stated that no species will go extinct during your watch. I very much appreciate your optimism and dedication.

My area of concern, of course, is Hawaii and the Pacific islands. Reports from this region are that more extinctions are imminent. Nobody can argue the environmental crisis that is ongoing in Hawaii. Over the past decades, endemic species of birds and plants have been lost and we may be in the process of losing more. Important work in recent years by the U.S. Fish and Wildlife Service (FWS) and other agencies of the Interior Department has started the process toward conserving these species.

Question. Can you outline some of your conservation plans and priorities for prevention of extinctions in Hawaii and the Pacific?

Answer. Habitat destruction and modification, along with subsistence hunting, introduced diseases, and other direct causes, were the main causes of species declines and extinctions in past centuries. More recently, extinctions and declines in the native flora and fauna of Hawaii are directly attributable to impacts from introduced species. Strategies to stem the tide of extinctions in Hawaii are, therefore, aimed first and foremost at the control of threats from alien organisms in the wild.

Efforts to fence and remove ungulates (pigs, goats, sheep, deer, and cattle) from large tracts of native forest and replant such forests with native species are ongoing as are efforts to remove introduced predators (rats and mongoose). In the past few years great strides have been made in obtaining authorization to use rodenticides in the form of bait blocks to control rats and mongoose in the forests of Hawaii and larger scale methods of control are being developed. Specifically, research is underway to determine if it will be feasible to pursue a future registration to aerially broadcast pelleted forms of rodenticides in Hawaii. Research is also underway to determine appropriate control methods for the introduced mosquitoes that are the carriers of avian malaria and pox, the main threats to the survival of Hawaii's forest birds.

Much of Hawaii's endangered flora and fauna are in such critically low numbers that the above habitat based efforts alone will likely not prevent their continued decline and ultimate extinction. Therefore another major component of the FWS conservation strategy for Hawaii's endangered and threatened species is captive propagation to bolster their numbers and reintroduction of these species into areas that are managed to control known threats. Captive propagation is a tool that is used, or is being developed, for many of Hawaii's endangered forest birds and plants, the nene, Oahu tree snails, and the Blackburn's sphinx moth. Research to develop the means to promote immunity to malaria and pox in Hawaii's native birds is also underway.

Recovery plans identifying the FWS recommendations for Hawaii's plants and wildlife and the priorities assigned to these actions are available for nearly all of the listed taxa in Hawaii. In addition, the FWS has convened expert Recovery Teams to assist in developing and implementing actions for recovery of Hawaii's native flora and fauna. The 'Alala Recovery Team, which includes private landowners, offers expert advice on how to prevent extinction and promote recovery of the 'Alala. The Hawaii Forest Bird Recovery Team provides advice for all other endangered Hawaii forest birds and is currently preparing a revised recovery plan for these species. The Hawaii and Pacific Plants Recovery Coordinating Committee is in its final stages of developing a Plant Conservation Strategy for the islands.

SECRETARIAL COMMISSION

On February 3, 1997, the Hawaii Congressional delegation wrote you a letter outlining the problems associated with the recovery of many of the endangered Hawaiian forest birds. As you have seen first hand, the State of Hawaii is experiencing an extinction crisis. Half of the State's endemic bird species are gone and most of the remaining are endangered, some critically.

In our letter we requested your leadership to deal with problems associated with this extinction crisis. Specifically, the recovery of these species will not succeed unless we institute a habitat management program that will deal with the adverse effects of alien species and predators (e.g. Miconia, rats, mongoose, mosquitoes, ungulates).

It has been suggested that a Secretarial Commission should be formed to take a close look at the situation and make recommendations. This sounds like a positive step to me. I understand that the Department has already responded to other Congressional inquiries along these lines.

Question. What steps has the Department taken with respect to this issue and the Hawaii delegation's inquiry of February 3, 1997?

Answer. At his confirmation hearing, and in response to a question by Senator Kempthorne, Assistant Secretary for Fish, Wildlife, and Parks, Don Barry, responded that he would support a Secretarial Commission to study Hawaii's declining ecosystems. The FWS is actively considering the Hawaiian delegation's proposal to establish a Secretarial Commission or similar organization that could function as an umbrella organization capable of taking a broad look at the enormous task of setting priorities and restoring parts of Hawaii's natural environments. This commission could be established under the auspices of the Endangered Species Act and function as a recovery team for Hawaiian ecosystems, consisting of both resource professionals and other individuals with the necessary expertise to guide the recovery process. The Commission could become a successful partnership of public and private entities who share a common concern for the welfare of Hawaii's unique flora and fauna.

ADMINISTRATION OF FUNDING

Another important topic is the funding for Hawaii for the recovery of species. Specifically, the amount of funding necessary, the current uses of existing funding, and how funding priorities are established.

The Keauhou Bird Conservation Center was built on the recommendation of the National Research Council report that two bird propagation facilities in Hawaii are necessary; one on Maui (existing) and another on the Big Island (Keauhou).

Question. What are the operational costs of each facility for fiscal years 1996, 1997, 1998, and 1999? Are both facilities fully funded in Fiscal years 1998 and 1999? Is the FWS funding both facilities?

Answer. Yes, both facilities are fully funded in fiscal year 1998 and 1999. The operational costs of the Maui Bird Conservation Center (MBCC) and Keauhou Bird Conservation Center (KBCC) for 1996 through 1999 are as follows:

[In thousands of dollars]

	Fiscal year—			
	1996	1997	1998	1999
MBCC	400	402	[1] 400	[2] 400
KBCC	500	529	[1] 610	[2] 750
Total	900	931	[1] 1,010	[2] 1,150

[1] Estimated.
[2] President's budget request.

Through the Recovery Program, the FWS provides $500,000 per year to The Peregrine Fund for operation of the KBCC facility. Section 6 Cooperative Agreement Funds are also provided for MBCC, as follows:

Fiscal years:	
1996	$300,000
1997	301,000
1998	302,025

It is my understanding that the FWS is under a court order to focus more on endangered plants, particularly their critical habitat.

Question. How does the FWS plan to address the court order? How has the court order impacted other FWS programs in Hawaii? How are these impacts addressed in the budget before the subcommittee today?

Answer. The FWS filed a declaration with the United States District Court for the District of Hawaii on April 14, 1998 in response to the court order. In the declaration, the Service presented two options for compliance with the Court's order to reconsider decisions that designation of critical habitat was not prudent for 245 plant taxa in the Hawaiian Islands. The Court is currently considering the proposed schedule for remand.

The first option proposed would require the FWS to assign four listing biologists to the remand thereby allowing the FWS to complete the reconsideration of all 245 not prudent findings by November 30, 2000. Under this option, all other listing activity in the Pacific Islands Ecoregion would be suspended until November 30, 2000. The second option would allow the FWS to assign only two listing biologists to the remand, with the other two continuing to work on high priority listing activities in the Ecoregion. Under this option, the reconsideration of the not prudent findings would be completed by April 30, 2002.

There has been no impact to any other FWS programs in Hawaii as a result of the court order, as the final decision of the Court has not yet been reached. The impacts that will result from the court order are not addressed in the FWS fiscal year 1999 budget. The order had not yet been issued when the budget request was developed and the final decision of the Court has not been made.

The Alala (Hawaiian crow) is the species that really brought us to where we are today with endangered species recovery in Hawaii. As a result of this successful work, propagation of other Hawaiian forest birds has occurred.

Question. Please provide me with an update on the Alala and other species that are the subject of recovery work. What are these species' biggest threats? Please provide a breakdown (propagation, releases, monitoring, etc) of the funding the FWS will spend in fiscal year 1998 on this work?

Answer. 'Alala—The current 'Alala population consists of 16–17 individuals in the wild (4–5 of the original wild birds and 12 released) and 18 captive birds (consisting of 7 pairs, 3 single males, and one imprinted female). Reproduction by the surviving wild birds appears to be at a standstill. In 1997, only one viable egg was produced by the only reproductive wild pair, and was collected and hatched in captivity. This same pair has not completed a nest or bred this breeding season.

One of the most significant events to have occurred during the past year is the formation of a breeding pair made up of birds produced in captivity and released during the first year of the 'Alala restoration project in 1993. These two birds have established a pair bond and have been placed in a field aviary for protection during this critical, first breeding phase. Chances are good that these birds will produce young either this season or the next. Some significant losses occurred in 1997, as well. There were five confirmed deaths, all of which showed signs of predation, either mammalian or raptor. An additional two 'Alala are missing and presumed dead. Thus far in 1998, two additional deaths have occurred, both of which were caused by a bacterial infection that appears to be E. coli.

The FWS has developed a productive partnership with the private landowner involved in 'Alala recovery. The development of mutual trust within the group serves as a model for other such efforts nationwide.

In December 1997, the Kona Forest Unit of Hakalau National Wildlife Refuge was established, based on recommendations from the National Research Council and the 'Alala Recovery Team. The Refuge consists of 5,300 acres of former Kai Malino Ranch land that is essential habitat of the 'Alala and other endangered birds and plants. The acquisition process is also underway for potential purchase of an additional 12,000 acres. The refuge will become the cornerstone of potential agreements with other landowners in the area to manage the Kona forest on an ecosystem basis. Efforts are also underway to identify another site on the Big Island for the establishment of a second population of 'Alala. The Service hopes to begin releases of 'Alala at a second site in 1999. The biggest threats to the continued existence of the 'Alala are (1) predation by introduced mammalian predators and by the native Hawaiian hawk, (2) disease, and (3) the potential for a catastrophic extinction event as a result of the population's small size and limited distribution.

In 1998, the Service will spend approximately $260,000 in recovery funds on the field project for the 'Alala. The costs of raising the 'Alala in captivity at Keauhou Bird Conservation Center (KBCC) and Maui Bird Conservation Center (MBCC) and hacking them into the wild as fledglings is included as part of the costs to operate KBCC and MBCC discussed in detail above.

Po'ouli.—After nearly two years of intensive field efforts to locate and monitor remaining individuals of this species, all indications are that there are only three birds remaining. Although sexing results have not yet been confirmed, preliminary results indicate that these are two females and one male. Discussions are being held with the Hawaii Division of Forestry and Wildlife to determine the next course of action. Options include attempting to establish a pair in the wild through translocation and, possibly, capturing the remaining birds and bringing them into captivity for attempted propagation.

The decline of the Po'ouli is likely the result of a combination of factors, including avian disease, predation by introduced mammalian predators, habitat loss and degradation, diminishing food sources, and competition with introduced birds.

Thus far in 1998, the Fish and Wildlife Service has spent $150,000 in recovery funds on the Po'ouli recovery project.

Puaiohi.—The Puaiohi population on the island of Kauai is believed to number approximately 200–300 in the wild. The recovery project is aimed at identifying the threats to this population, working out methods of captive propagation, identifying other areas of suitable habitat, and expanding the Puaiohi's range through release of captive produced young into such areas. The field effort consists of locating and monitoring birds and nests, controlling predators, and monitoring for avian disease. Eggs were collected from wild nests in 1996 and 1997 and hatched at KBCC by The Peregrine Fund. The young that were produced were held at KBCC to establish breeding pairs. Currently, there are five breeding pairs and one single bird (11 birds) at KBCC. Thus far in 1998, three of the five pairs have produced eggs. Of these, two eggs have been fertile and were successfully incubated and hatched by The Peregrine Fund. Releases of young produced this year should begin in early 1999.

The fiscal year 1998 budget for this project is $50,000. The costs for propagation of Puaiohi at KBCC are included in the overall operational costs of the facility discussed above.

The FWS is also coordinating, participating in, and/or funding recovery projects for several other species, such as the Hawaiian hawk, Laysan duck, palila, Oahu tree snails, hundreds of Hawaiian plants, hawksbill sea turtle, Mariana crow, Rota bridled white-eye, and Blackburn's sphinx moth, and habitat restoration projects, such as the Kona dryland forest project, Ola'a-Kilauea project, and Palawai Gulch restoration project.

LANDOWNERS

Question. You have provided leadership in seeking to address some of the landowners' concerns with recovering endangered species. After watching the bird recovery process in Hawaii, it is clear to me that landowners need to be part of the solution. How do you see the Administration proceeding in Hawaii on these landowner issues? What can be done to encourage and make it attractive for landowners, private and public, to participate in the species recovery process?

Answer. Hawaii possesses one of the most unique assemblages of plants and animals in the world. Nearly 40 percent of all endangered plants and animals listed under the Federal Endangered Species Act (ESA) are native to Hawaii. Since 1991,

over 200 Hawaiian plant species have been listed under the Federal ESA. Approximately 50 percent of all endangered and threatened species in Hawaii occur on private lands. Recovery of these species is, therefore, dependent on the cooperation of private landowners and the willingness of agencies to meet the needs of both the listed species and the property owners.

Recognizing that the protection and recovery of such an overwhelming number of listed species would require creative and flexible mechanisms, the State of Hawaii Legislature approved House Bill 1292 in 1997. This Bill later became Act 380, which changed the Hawaii Revised Statute 1950. Act 380 is designed to reduce conflicts between land uses and listed species and to provide incentives for private landowners to protect and promote the recovery of endangered and threatened species. This Act establishes a provision within State law for the development of habitat conservation plans and issuance of incidental take licenses, similar to the provisions of section 10(a)(1)(B) of the Federal ESA. It also establishes procedures for Safe Harbor Agreements and "no surprises" (incentives), closely patterned after Federal procedures by those names.

Since the passage of Act 380, the Fish and Wildlife Service's Pacific Islands Office has been working closely with the State of Hawaii Division of Forestry and Wildlife (DOFAW) to develop a joint State/Federal process for the development and issuance of Safe Harbor Agreements, HCPs, and Incidental Take permits. Draft fact sheets, applications, and instructions have been developed and are currently being refined for distribution to private landowners throughout the State. In addition, the Service is actively working with DOFAW on what will likely be the first Safe Harbor Agreement for reintroduction of the endangered Hawaiian goose, or nene, on Molokai. In this case, an agreement is being worked out between the private landowner and the State and Service to promote recovery of the nene while providing assurances that the landowner's desired future actions on the land will not be hindered by the presence of this endangered species.

The FWS intends to continue and expand its efforts to encourage the maintenance, restoration, and/or protection of private lands for the benefit of endangered and threatened species, while allowing the lands to bring economic benefit to the individual landowners. There are now more tools available within the State of Hawaii to accomplish recovery objectives on private lands, and the Service intends to be creative and flexible in its use of as many tools as possible to collaborate with private landowners in Hawaii for the recovery of endangered and threatened species.

PREDATOR CONTROL

Question. It is my understanding that New Zealand has a very successful predator control effort. How is the FWS utilizing this expertise? Are we implementing in Hawaii the successful actions of New Zealand? How have you utilized the expertise of USDA Wildlife Service with predators in Hawaii?

Answer. The FWS Pacific Islands Office has developed and maintained contacts within the New Zealand Department of Conservation and remains abreast of their predator control efforts. The FWS has funded visits by New Zealand biologists responsible for predator control to Hawaii for purposes of sharing information and providing advice on specific projects and methods. Along with the State of Hawaii, Biological Resources Division of the U.S. Geological Survey, U.S. Department of Agriculture-Denver Wildlife Research Center and Wildlife Services, The Nature Conservancy, National Park Service, and several private landowners, the FWS is a member of a working group devoted to obtaining the best possible methods for predator control in Hawaii.

In the past few years, this Toxicant Working Group applied for and obtained a registration for the use of peanut butter/molasses flavored Diphacinone bait blocks for use in bait stations in the forests of Hawaii. This product is readily available and is currently widely used to control rats, particularly black rats, in areas inhabited by endangered and threatened forest birds, snails, and plants. In January 1998, approval was obtained for this same product in a fish flavor. It is hoped that the additional flavor will enhance the product's effectiveness against the Polynesian rat.

Research is underway to support a registration for a larger-scale method of rodenticide dispersal in Hawaii—specifically, for aerial dispersal. There are currently two products being considered for registration, both with Diphacinone as the active ingredient. These products are Eaton's 8 gram, fish-flavored, wax-based pellet and Ramik Green's 10 gram, fish-flavored, grain-based pellet. Additional research needed to support an application to the Environmental Protection Agency for an aerial broadcast registration of a Diphacinone-based rodenticide has been identified, and the FWS and State of Hawaii are working closely with the U.S. Department

of Agriculture—Denver Wildlife Research Center to complete the research and application package for funding consideration within the next year.

QUESTIONS SUBMITTED BY SENATOR BARBARA BOXER

SALTON SEA

Question. The House and the Senate concurrently are preparing legislation to save the Salton Sea. While I am certain that we are all interested in expeditiously implementing a plan to rescue the Sea, it is important that such a plan be both scientifically sound and politically viable. Are their any aspects of either version of the legislation at this stage that you believe to be of particular concern or merit?

Answer. While the Department supports the need to restore the Salton Sea, the House Bill (HR 3267) includes several aspects that are of concern to the Department, as identified in testimony given by David Hayes, Counselor to the Secretary, for the H.R. 3267 hearing March 12, 1998. Excerpts of his testimony follow:

The NEPA scoping process described in Title I, Section 101 (c)(2) would limit EIS focus to three types of remedial actions. These would include the use of impoundments, pumping out water, and augmentation of inflows. The Fish and Wildlife Service is concerned that this set of options will not adequately address the problems associated with fish and wildlife in the Salton Sea, and the project will not attain the goals described in Sec. 101 (b) Project Requirements. A broader set of alternatives should be considered in the National Environmental Policy Act (NEPA) process and provide a more objective evaluation to address all of the identified Project Requirements.

The time frame described in Section 101 (c)(4) does not appear to be adequate to meet the needs of the project. This time frame is to be concurrent with the research described in Section 102 (a). As the required research has not actually been identified at this time, it is not possible to determine if completion of the research would be possible within 12 months. As described in Sec. 101 (c)(4)(B), the environmental compliance and permitting is to be completed within that same 12 months. Because some of the environmental compliance documentation and permitting are reliant on the completion of the research at the Salton Sea, these processes may not be totally concurrent. This could result in the completion of the environmental compliance and permitting processes taking well in excess of 12 months.

Section 101 (f)(3) contains language that could result in legal action. Specifically, the provisions relative to environmental compliance under the National Environmental Policy Act and the limitations on judicial review in the issuance of permits or other authorizations by Federal agencies could result in litigation.

Title II, Section 202, which deals with emergency actions required by the Secretary, raises several concerns. There is no discussion of the destination for the waters to be removed from the Salton Sea. This determination is called for in Title I, Section 101(e), but it is not clear how that determination is to be made and what biological and/or NEPA study will be conducted in support of that process. Section 202 also calls for diversion of Colorado River water into the Salton Sea. There are no biological and/or NEPA studies described for this aspect of the emergency action, and it is not clear how that will be carried out with the requirements of Title I, Section 101(f)(3) regarding the existing treaty/law/agreements relative to the use of the Colorado River water and the proposed rule for interstate water transfer. The Fish and Wildlife Service is concerned that this could result in unacceptable impacts to natural resources and/or litigation.

The Senate Bill alleviates some of these concerns by extending the time frame to 18 months (although this is still a very ambitious schedule), calling for full environmental review, and not limiting the options for restoration. The Senate Bill calls for the scientific study to indicate what restoration options should be considered. Previous alternative screening efforts that have identified diking and/or evaporation ponds as preferred options may not have been comprehensive enough to identify options that can address all objectives outlined for the project.

Question. As you know, scientists predict that the Salton Sea will be a dead sea if we don't take action soon. As Congress continues to work on legislation, what steps can you take administratively to prevent further disaster at the Salton Sea?

Answer. The Salton Sea will not be dead in the near future, but it will change. As the salinity rises, foraging habitat for fish eating birds in the Salton Sea will be lost. This is a problem because alternative habitat is severely restricted in the Pacific flyway. This will have the greatest impact on species such as the American white pelican, the endangered brown pelican, and the double-crested cormorant. Salinity increases may ultimately impact the Salton Sea population of the endangered

desert pupfish. Invertebrates will likely be available for some time, so shorebird and waterfowl use is likely to continue for decades, similar to that which occurs at Great Salt Lake and Mono Lake.

The more immediate issue is wildlife disease. Currently, bird losses are occurring at the Salton Sea from at least three separate disease events. The Fish and Wildlife Service will continue to utilize its resources to carry out carcass recovery. This is the most effective means we have available to limit the spread of disease at the Salton Sea. Additionally, the Salton Sea National Wildlife Refuge is currently strengthening its infrastructure to respond to disease outbreaks. Additional staff biologists are being hired, a field rehabilitation center is being constructed, and an emergency response team of FWS personnel from several offices is being developed to assist Refuge staff in responding to large disease outbreaks. The fiscal year 1999 President's Budget includes a refuge operations increase of $240,000 for the refuge.

ENDANGERED SPECIES ACT

I look forward to reviewing your soon to be proposed five point initiative regarding HCP's. I understand that all five provisions in your initiative (biological goals, adaptive management, biological monitoring, public participation, and permit duration) were identified by the scientific and environmental communities in comments submitted on the recently finalized no surprises policy, as the bare minimum necessary to ensure the scientific validity of the HCP program, including no surprises.

Question. Why then were these provisions not incorporated as part of your final no surprises rule?

Answer. The 5-point policy initiative addresses concern over HCP development and implementation. The No Surprises final rule was limited to the narrow issue of the no surprises guarantee itself. The Administration decided not to broaden it to include more general HCP issues because we had not provided for notice and comment on the broader issue.

Question. Do you believe that these provisions are less important than your no surprises policy?

Answer. The No Surprises rule is a regulatory mechanism that codifies permit assurances through the section 10(a)(1)(B) process. The 5-point policy initiative, however, largely clarifies and provides more detail to existing HCP development guidance contained within the HCP handbook. Expansion and clarification of the HCP guidance to the FWS and public will strengthen HCPs, the process, and improve national consistency, such as allowing for increased public input.

Question. If you believe that they are just as important, do you agree that they should undergo a rulemaking and be incorporated into the regulations governing the approval of HCPs, just as you've done with no surprises?

Answer. The FWS considers the 5-point policy initiative to be an internal guidance document further explaining concepts that help strengthen the HCP process, such as the use of adaptive management strategies. This guidance supplements the HCP handbook, rather than providing additional regulatory requirements. Since HCPs are increasingly used by the public as a means to comply with the Endangered Species Act, the FWS is providing a 60-day public comment period on the draft 5-point policy initiative, even though it is not a proposed rule.

Question. Can you speak to the need for increased funding for the Endangered Species Act and other Interior Programs, and inadequacy of such funding in the Senate Budget Resolution?

Answer. The Senate Budget Resolution Chairman's mark assumes the landowner incentive programs of the proposed Endangered Species Recovery Act will be enacted. For 1999, this funding would total over $80 million for the FWS. The proposed landowner incentive program includes safe harbor agreements, a habitat conservation plan loan program, recovery plan implementation agreements, a habitat conservation insurance program, habitat reserve agreements, and assistance to states. Under the Chairman's mark, funding would be made available to pay for the landowner incentive programs from the gross receipts realized in the sales of excess BLM land, "provided that BLM has sufficient funds to conduct such sales."

While the Department strongly supports incentives to encourage private landowners to work on endangered species issues, the Department strongly opposes the ESA funding arrangements contained in the Chairman's mark. First, the Chairman's mark freezes funding for the FWS operating account at the 1998 enacted level, which would not allow increases critically needed for ESA program implementation. Second, the Chairman's mark proposes that the Department sell off "excess" BLM lands to pay for private landowner incentives.

The Department is currently working with the Congress on the reauthorization of the Endangered Species Act. Given the limited funding available within the Presi-

dent's Budget, the Department has placed a priority on more effectively and efficiently implementing the ESA program. The President's Budget includes a requested increase of $38.8 million to implement additional candidate conservation agreements to keep species from being listed; to implement more than 100 additional Habitat Conservation Plans; to enter into 100 to 150 Safe Harbor Agreements with private landowners; to develop and implement multi-species conservation plans; and to continue to streamline Section 7 consultations with the Federal agencies to allow economic development activities to proceed.

As part of this overall approach towards implementing the ESA, the budget includes a modest increase of $5.0 million to provide Safe Harbor Grants to small landowners. The Department believes that the Safe Harbor Grants program is the most logical area to "pilot" the landowner incentive concept. Freezing the FWS operating program at the 1998 enacted level will not allow responsible implementation of the Endangered Species Act and the Department strongly supports the operations increases for the FWS included in the President's Budget.

Question. Currently there is language in the Senate Budget Resolution that calls for the sale of BLM land to pay for operations of other Interior Department programs. What is the Administration's position on the sale of federal assets to support operations?

Answer. The Department strongly believes that there is no such thing as "excess BLM land" that could be sold off to pay for the landowner incentive program or other operating programs in the FWS or Department. The Department holds the public land in trust for all Americans and the Department manages this public estate to protect lands of national interest for their conservation, recreation, and taxpayer asset values. For example, the 264 million acres of public land annually host some 74 million recreation visitors while at the same time the public lands support grazing allotments for 3.7 million head of livestock, some 20,000 active oil and gas leases, as well as coal mining, timber production, and other commercial uses. That said, the Department recognizes that over time, land ownership patterns have developed in some areas that make little sense. That is why the Department continues to aggressively work with the States and local governments on land exchanges to concentrate State ownership in urban areas while the BLM focuses on holding rural land with significant conservation values. For example, during 1998 the BLM will complete sixty land exchanges involving some 125,000 acres.

LAND AND WATER CONSERVATION FUND

The State of California has some very important land that needs to be conserved. With the exception of last year, the Land and Water Conservation Fund has been underfunded for over a decade.

Question. Realizing that LWCF is financed primarily from oil royalty receipts and that the offshore oil and gas royalties increased significantly in fiscal year 1998, will the Administration prioritize efforts to acquire land and increase funding to LWCF?

Answer. Throughout this Administration, the Department has consistently prioritized land acquisition. In addition, the fiscal year 1999 budget identifies an additional $1.3 billion in outyear funding for LWCF through fiscal year 2003.

KLAMATH NATIONAL WILDLIFE REFUGE

Question. The Klamath Basin of northern California has some of the oldest and most import National Wildlife Refuges in the country. I have been very concerned to hear that the wetlands ecosystems and the wildlife within these refuges have been declining due to problems of water quality, water quantity, and other similar problems that our refuges in the Central Valley have faced in the past. Can you tell me what the Interior Department is doing to acquire water rights, clean up the water, or purchase land for the Klamath Basin refuges?

Answer. There are several ongoing proposals which should significantly improve the habitat and water quality conditions at the Tule Lake and Lower Klamath National Wildlife Refuge. These are as follows:

1. Wetland/cropland rotation

The Refuge is entering its fourth year of a multi-year study with the University of California at Davis, University of Washington, and Interior's Biological Resources Division. We are looking at the benefits and possible problems with converting currently farmed lands to wetlands and moving the commercial agricultural lands to what are currently degraded wetlands. Over the past three years, the Refuge has created nearly 600 acres of seasonal marsh habitat as part of this study that has resulted in a tremendous increase of waterbird use on those areas. This year we hope to begin conversion of a 300 acre degraded marsh area to agricultural use. This

concept of wetland/cropland rotation holds great promise to reverse the long term trend of declining wildlife values at Tule Lake NWR. A similar approach is used at Lower Klamath NWR and last fall that Refuge peaked at approximately 1.8 million waterfowl and exceeded 100 million waterfowl use days, the highest use recorded in nearly four decades.

2. Sump 1B conversion to seasonal marsh

The fiscal year 1999 President's Budget includes $600,000 to assist with the development of this project. When completed, this project will be the largest wetland restoration project in the western United States, with approximately 3,500 acres of restored wetlands. We believe this project will significantly improve the waterfowl and wetland dependent species use of Tule Lake NWR and reduce overall project water demand by approximately 5,000 acre feet.

Sump 1B conversion to seasonal marsh is a partnership effort between Ducks Unlimited, the FWS, and Tule Lake Irrigation District. In addition, funding proposals have been submitted for Upper Klamath Basin Working Group (Hatfield Working Group) funds as well as California Duck Stamp funds. The FWS expects to complete this project in fiscal year 1999.

3. Unit 13 water storage

The fiscal year 1999 President's Budget includes $3,000,000 to construct a storage site in Unit 13 on Lower Klamath NWR. This area will store approximately 25,000 acre feet of water that will help ensure a water supply for Lower Klamath NWR. The National Wildlife Refuges within the Klamath Basin have been identified as last in priority for water delivery within the Klamath Project. Water stored within Unit 13 will be used to offset evaporative losses within the permanent marshes on Lower Klamath NWR. This effort will also benefit other project users by lessening the amount of water needed from Upper Klamath Lake during the summer period, saving from 20,000 to 25,000 acre feet in the Upper Klamath Lake during most years.

4. Acquire water from underground wells

The FWS currently is negotiating with an adjacent landowner to purchase water from his underground wells. The landowner feels his water should be valued as in the Central Valley. If we are unable to reach an equitable agreement the FWS will explore the possibility of developing its own groundwater pumping.

5. Land acquisition efforts

The Trust for Public Lands is working with two local landowners to acquire 2,100 acres of land and hold it for the FWS. This location may also enhance our ability to develop and store additional water supplies for use on Lower Klamath NWR. The FWS has previously expressed interest in acquiring acreage within the Klamath Straits area, adjacent to Lower Klamath NWR. Currently, landowner asking price and appraised value are far apart. The FWS will continue to pursue acquisition of adjacent land parcels that will assist in meeting the mission of the National Wildlife Refuge System and the purposes of the Tule Lake and Lower Klamath NWR's.

BLM WILD HORSE AND BURRO PROGRAM

Question. What percentage of the program budget, or actual dollar figure, is dedicated to the roundup and adoption program versus range management?

Answer. Expenditures (in thousands) in fiscal year 1997 are as follows by program element (these expenditures include unobligated balances from prior year appropriations):

	Thousands
Program management	$8,272.7
Animal removal	2,643.2
Animal preparation	1,514.7
Animal adoption	5,699.2
Adopter compliance	96.9
Total	18,226.7

Question. Is it true that holding facilities are over crowded, adoptions are down and outbreaks of illness keep cropping up in holding facilities and at adoptions? What further problems are there with management of the program?

Answer. It is normal for BLM to fill its holding facilities at the end of the capture season in February/March of each year. We then process and ship animals to adoptions throughout the country during the late winter, spring, and early summer. Dur-

ing the summer, wild horse gathers are halted for the foaling season. This year the facilities reached capacity earlier than planned. Due to this situation, some gathers planned for December and January had to be canceled. There were 5,743 animals in BLM facilities as of February 24, 1998 in facilities with a total holding capacity of 6,570 animals. By April, the number held was reduced to about 4,400 animals.

The current problem we are faced with is that the number of animals adopted at each event is lower than planned, which means that we are moving animals out of our facilities slower than normal, and we are holding animals longer than expected. There are a number of factors that are contributing to this slow down in adoptions including the unusually wet and severe winter in the mid-west and the concern over illnesses of some the animals coming out of some BLM facilities.

In December 1997, the states were asked to add more adoptions to their existing schedule. The six western states added ten additional adoption events (both facility and satellite adoptions) to increase their adoption goals in fiscal year 1998. To further increase adoptions, a Western States Adoption Strategy was developed to share personnel for gathers, preparation, adoptions, and compliance. Sharing personnel during peak workloads will enable the states to place additional animals this fiscal year. Together, these actions increased the adoption goal for fiscal year 1998 to 10,225 animals. This level of adoptions would clear the holding facilities in sufficient time and provide sufficient capacity for the planned gathers in fiscal year 1998 to proceed.

Additional promotion of adoptions in the west is necessary to achieve adoption goals. A public outreach plan is being developed to locate and take advantage of new markets. A marketing analysis will include a long-term plan to increase the number of adoptions and then maintain that increased level in the west.

The BLM is experimenting with wild horse and burro adoptions over the Internet and the idea of gentling wild horses and then adopting them through competitive events to enhance their adoptability. The Director is also requesting recommendations from the newly chartered Wild Horse and Burro Advisory Board.

Isolated and sporadic occurrences of illness among animals in holding facilities are a seasonal occurrence and are related to extremes in outdoor temperature and precipitation. Another contributing factor is the movement of animals from one climate to another in a short period of time. It takes a few days for an animal to acclimatize to the local climate and microbes of that specific locality. BLM has implemented procedures related to facilities design and animal care for disease control under State and Federal veterinary guidelines to prevent the spreading of disease from animal to animal. All BLM-funded facilities have existing quarantine pens and barns to isolate sick and injured animals. All BLM-funded holding facilities, off-site adoption events, and the sanctuary are under contracts for local veterinarian routine and emergency services. The health of all wild horses and burros is closely monitored while they are in the BLM's possession, and appropriate care is provided promptly if they become ill. BLM is proposing a plan to enhance the facility at Elm Creek, Nebraska, by raising the fences of the pens that are partitioned for new arrivals to prevent direct contact of animals already there with new loads of animals. BLM is supporting a research project on a vaccine for equine distemper [strangles] at Elm Creek, Nebraska.

Several internal and external reports have identified issues and made recommendations for wild horse and burro program management improvements. These include the Wild Horse and Burro Evaluation (Pierson report) and the Wild Horse and Burro Adoption Program Policy Analysis Team Report (Culp report), three separate Office of Inspector General audits, the Wild Horse and Burro Steering Committee (comprised of BLM Associate State Directors) conclusions, the BLM Director appointed fact-finder team assessments, and the Animal Protection Institute (API) Settlement Agreement. Many of the recommendations of the Pierson and Culp reports were confirmed in the findings of other external reports. Beginning in fiscal year 1997, the BLM began implementing the recommendations to improve management of the Wild Horse and Burro Program. Recommendations included in these reports address establishing and achieving appropriate management levels of wild horses and burros on the range, fertility control research, and improving and expanding compliance inspections of adopted and untitled wild horses and burros.

Question. How does the Bureau determine the appropriate number of horses in each management area that should remain on the range or be removed from the range? How does the Bureau determine the Appropriate Management Level for private livestock in relation to horses and burros on public lands?

Answer. In the development of a Resource Management Plan (RMP), all herd areas that were occupied by wild horses or burros at the time the Wild Horse and Burro Act was passed in 1971, are considered for management for wild horses and burros. The decision is made based on environmental and social factors, such as

land ownership patterns, resource conflicts, etc. Once a herd area has been designated for wild horse and burro management, that area becomes a Herd Management Area (HMA). Through an interdisciplinary process, specific environmental analysis of the rangeland resources is conducted using resource inventory and monitoring data, resource potential/productivity data, and existing planning decisions. This process provides for public participation. The results of this process are specific decisions that allocate the available rangeland resources for various uses (including livestock grazing, wildlife, and wild horses and burros). The actual per cent of available forage that goes to the individual uses is normally defined in the land planning decision.

Question. Does the demand for burros exceed the actual supply of BLM burros? Is the National Park Service authorized to shoot and kill burros?

Answer. In past years the Bureau has been able to adopt all of the burros it removes from public lands. This year the demand is down and so we are holding burros in our facilities longer than normal. It is felt that the reduced demand is in part due to the increased adoption fee that was finalized per regulations in April of 1997.

The Wild Free-Roaming Horse and Burro Act of 1971 does not protect wild horses and burros on lands managed by the National Park Service. The disposition of those animals is a decision made by the National Park Service. In many cases the BLM does work in conjunction with the National Park Service to manage their wild horse and burro populations. This is especially true where BLM herd areas overlap onto National Park Service lands. Currently the Bureau is holding over 300 burros removed from NPS lands in southern California at our Ridgecrest facilities.

Question. Does the Bureau round up older horses (those as old as 20 years)? If so, are these horses often adopted at a reasonable price?

Answer. The Bureau removes horses over nine years of age only under unusual, emergency conditions. In November of 1997, the BLM re-issued its selective removal policy which states:

a. Wild horses removed from all public or private lands that are to be placed into the national adoption program, will be limited to adoptable animals aged 9 years and younger.

b. The authorized officer may elect to remove wild horses of any age from public or private lands provided that the animals are to be adopted in-state. Wild horses aged 10 years and older may not be placed into the national adoption program except as noted in paragraph "d". The Forest Service and National Park Service may elect to remove animals of any age provided that the animals are adopted by that agency.

c. All wild horses, regardless of age, that in the judgment of the authorized officer are deemed unadoptable because of defects, previous injuries, recent but not life threatening injuries, or other factors that may limit their adopt ability, will be returned to the public lands or adopted in-State.

d. During emergency situations, when the long-term survival of a wild horse population is threatened, the prohibition on removing wild horses aged 10 years and older and placing them in the national adoption program may be amended. The Wild Horse and Burro National Program Office must approve amending selective removal criteria prior to initiating the emergency gathering. Approval to amend the selective removal criteria will only be authorized in rare instances when other options are not viable.

The regulations establish a minimum adoption fee of $125 per head. The BLM usually adopts these older animals at or above the minimum fee. The Authorized Officer has the authority to reduce the fee on unadoptable horses on a case by case basis, but age alone is not a criteria for fee reduction.

Question. Have you considered a one-year moratorium on round-ups (except for purposes of contraception and for bonafide emergencies)?

Answer. A one-year moratorium on round-ups would compound the problem of reaching Appropriate Management Level's (AML's) on public lands. The wild horse and burro reproduction rate of 24 percent would increase the herd size within the Herd Management Areas, causing a ripple effect on adoptions, gathers and holding capabilities into the future gathering seasons. The Wild Free-Roaming Horse and Burro Act of 1971, as amended, mandates that we achieve and maintain a thriving natural ecological balance on the public lands. While the BLM does not support a moratorium on round-ups, we are reducing removal numbers in fiscal year 1998 in response to larger than planned numbers of animals currently in holding facilities for the reasons listed in the response to the second question under this section.

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

BUREAU OF INDIAN AFFAIRS

Question. The Standing Rock Sioux Tribe and the Bureau of Indian Affairs are currently in the process of cleaning up Polychlorinated Biphenyl (PCB) contamination caused by leaking light fixtures. Does the Department have plans to examine buildings on other reservations for possible contamination by PCBs and other toxic substances? I am particularly concerned with contamination in schools and recreation facilities.

Answer. The BIA is currently responding to known PCB contamination caused by leaking light fixtures. All Areas are being instructed by BIA Facilities Management and Construction Center memorandum to complete a 100 percent inventory of all reservation buildings and facilities to determine date of manufacture (pre-1977 to contain PCBs) and condition of light fixtures. The Bureau will continue to properly dispose of PCB containing light ballasts. All schools and recreation facilities will be examined for PCB and other toxic substance contamination (asbestos and lead paint) as the BIA conducts an environmental audit, now underway.

Question. The BIA and GAO have reported that the cost of repairing (not replacing) educational facilities at all BIA schools is $754 million. While I appreciate that the Administration in its fiscal year 1999 budget request has provided for an increase in the school construction budget sufficient to complete construction on the 16 schools remaining on the Priority List, what steps is the Administration going to take to ensure that the other 150 or so BIA schools in need of repair or replacement are taken care of? What creative financing mechanisms could be used to meet these needs in a more timely manner? When can we expect the Administration to send an Indian school construction proposal to Congress?

Answer. The Bureau requested $37.4 million in the fiscal year 1999 President's Budget for Seba Dalkai Boarding School, Sac and Fox School, and Pyramid Lake High School which are ranked 9, 10, and 11 on the BIA's replacement school construction priority list. If funded, construction of these schools would start in the early spring of CY 1999 and be completed in the fall of CY 2000. The Bureau is aware that the condition of many of the remaining schools is poor, however, the Bureau continues to work with respective tribes and school boards to identify any immediate dangerous safety and health conditions which can be corrected with Minor Improvement and Repair or Emergency funds.

Current procedures have identified 16 schools for construction. Eight of these 16 schools have been funded. The planning, design and construction activities of the BIA are established through the facilities improvement and repair (FI&R) and new construction nationwide priority setting process. The Bureau has convened a committee, including tribal representatives, to recommend changes, if any, to the replacement school priority setting process. Further consultation with the tribes is planned for this summer. The Bureau plans on soliciting new applications early in fiscal year 1999.

The Department is exploring a number of alternatives that may in the future provide a viable means to facilitate more construction and repair of high priority BIA ranked projects. These alternatives include: lease-purchase programs; cost sharing of construction expenses by the Tribes/schools and BIA for repair or replacement of existing facilities; the use of bonds; and expansion of BIA's current portable classroom program. However, the Department's efforts to develop these alternative financing options has had limited success due to Budget Enforcement Act scoring difficulties. Lease arrangements, loans, and revenue bonds require repayment, which is subject to appropriation.

The rate of deterioration of facilities, and the limited resources available to address needs, require that BIA allocate funding to the most critical health and safety deficiencies. The chief way to limit growth of the backlog and help ensure that education facilities in Indian Country are satisfactory is to provide the $32.2 million increase requested in the President's fiscal year 1999 Budget Request.

FISH AND WILDLIFE SERVICE (FWS)

The FWS has for many years pursued the purchase of wetlands easements within the State of North Dakota. More recently, the FWS has begun to pursue the purchase of perpetual prairie easements as well. There continues to be concerns and frustration regarding the lack of flexibility that these easements offer. These concerns may make it difficult for acquisition of easements to proceed.

Question. What is the FWS doing to develop a more flexible policy on wetlands and prairie easement purchases?

Answer. The FWS has used easements throughout the prairie pothole region to provide wetland habitat for waterfowl and other wetland species. These wetlands also provide conservation benefits like water storage for flood management, water quality improvement, recreation/tourism, and economic diversity in an area. In the Devils Lake Basin, FWS wetland easements are storing approximately 169,000 acre/feet of water for flood protection in that area.

The FWS is continuing to introduce more flexibility in administering the easement purchases for the Waterfowl Production area program by issuing permits for removal of water on easements to prevent flooding of roads, to prevent flood related health and safety issues around farmsteads and homes, and to remove "sheetwater" on flooded agricultural lands as long as the integrity of the wetlands are not compromised. We are also working with local water boards to facilitate legal drain projects though easement lands and utilizing innovative mitigation banking ideas. On grassland easements, grazing is not restricted and FWS managers issue permits for haying for cover rejuvenation purposes.

The FWS has been extremely helpful in developing water storage areas on wildlife refuges in the Devil's Lake Basin. Such projects are an important part of a comprehensive flood-fighting strategy for Devil's Lake. Given that the lake level is expected to continue to rise, we expect a continuing need for water storage projects. Don Barry, Acting Assistant Secretary, has expressed interest in organizing a summit to discuss the potential for Fish and Wildlife Service projects to contribute to upstream management of water in the Devil's Lake basin in North Dakota.

Question. What plans do you have to allocate additional operations and maintenance funding to properly manage newly developed water storage projects in North Dakota?

Answer. The FWS has developed the Maintenance Management System (MMS) and the Refuge Operating Needs System (RONS) to address the backlog of operations and maintenance funding for the National Wildlife Refuge System. Refuge Managers will identify funding needs for the newly developed water storage projects in North Dakota and this information will be used to address operations and management needs in North Dakota and throughout the Refuge System.

Question. What plans do you have for pursuing a summit?

Answer. The FWS has ongoing local coordination efforts to protect, restore, and manage wetlands in the Devils Lake basin. Coordination is already occurring with a wide variety of entities. No plans have been made for a summit at this time.

Question. What other initiatives is FWS undertaking to ensure continued development of wildlife habitat and protection of existing habitat?

Answer. The FWS is committed to providing wildlife and their habitats for people to enjoy in present and future generations. We will continue to seek innovative ways to meet the wildlife-oriented interests of the public. Through coordination with Congress, the states, and private interests we hope to continue America's wildlife legacy.

The FWS has several initiatives to develop and protect habitat. In response to Federal requirements such as NEPA and the Fish and Wildlife Coordination Act, the FWS reviews projects that are Federally sponsored or require permits administered by the Federal Government. This review ensures that fish and wildlife resources are considered in the development of the project. Technical assistance is offered to project sponsors for ways to avoid impacts or to enhance habitats for wildlife.

The FWS has a private lands initiative that works with private landowners to develop habitats on private lands in key areas. In addition, the FWS has been working with numerous partners under the North American Waterfowl Management Plan and has been able to acquire nonfederal dollars to match with the North American Wetland Conservation Act funds to perform large-scale habitat projects. These projects work with private individuals, local, state, and federal agencies to do landscape level projects that benefit numerous parties.

The FWS is also looking at innovative ways to work with Refuge neighbors and has formed several partnerships. This has included working with local agricultural neighbors to farm, graze, or hay on FWS lands and receiving assistance with roadside mowing and weed control. The FWS is also forming partnerships with educational interests to promote outdoor classrooms, student research, and to provide a stimulating learning environment for visitors. We are receiving assistance from user groups to develop new programs and initiatives for public use, wildlife development, tourism attractions, and wildlife orientated recreation. Our Refuge programs also may include fee or easement acquisitions to store water for wildlife and flood control, for eco-tourism development, habitat development, and endangered species recovery. The Refuge System also collaborates with the Fisheries program to stock

area lakes for recreational fisheries, perform endangered species recovery, and carry out fishery mitigation to make federal projects workable.

Question. What consideration have you given to forming a task force with the Department of Agriculture and the State Water Commission to complete current and pending wetland and water storage projects in the Basin and develop an upper basin storage strategy?

Answer. The FWS is participating in a group made up of the Governor's office, State Water Commission, NRCS, FWS, Congressional office representatives, local elected officials, the Devils Lake Joint Water Board, Corps of Engineers, North Dakota Game and Fish, farm groups and environmental groups. That group has recently identified two priorities for water storage in the Devils Lake Basin, Conservation Reserve Program lands and public lands. It is still difficult to implement water management and storage activities in the Devils Lake Basin and, until we get support from local and State representation, progress may be slow. The FWS will continue to be a partner in this effort and work toward a comprehensive solution to the water management and flood issues in the Devils Lake Basin.

There is considerable concern about the FWS purchasing more land in North Dakota. Many local Governments' tax bases have already been substantially eroded by the outmigration of farmers and ranchers. This becomes an even greater burden when the federal government purchases the land and pays less than full tax value. In 1996, this shortfall for the entire state of North Dakota came to approximately $366,000. Consequently, country commissioners have been forced to prohibit the sale to FWS of flooded farmlands by willing sellers who have been hard hit by flooding at Devil's Lake.

Question. What steps are being taken by the FWS to secure more equitable payments in lieu of taxes to counties in North Dakota?

Answer. The Refuge Revenue Sharing Act, as amended, provides the authority for the FWS to make payments to counties containing FWS fee lands based on the greatest of the following: 75 cents per acre of FWS land; three-fourths of one percent of the appraised value of the FWS land; or 25 percent of net receipts of revenue from the FWS land. In addition, the FWS pays counties 25 percent of net receipts for FWS-managed public domain lands within those counties. If receipts and appropriations are insufficient to meet full payments, each county receives a pro-rata share. According to current estimates, payments in fiscal year 1998 will be made at 70 percent of full entitlement. The FWS views revenue sharing payments in North Dakota as being equitable since the monies available for these payments are distributed on a pro rata basis, nationwide. However, the issue of shortfalls in refuge revenue sharing payments is receiving increased attention. The FWS is currently considering options to address the shortfall.

Question. There is a need to improve weed management, roadside mowing, and insect control on FWS wildlife refuges in North Dakota. The inability of the FWS to meet these needs is very frustrating to area landowners. What steps is the FWS taking to address these needs?

Answer. The FWS managed noxious weeds on 9,022 acres on 542 separate tracts in 1997. This is an increase over the acreage treated in 1994, 1995, and 1996. The FWS treated about 25 percent of these areas with herbicides. The acreage treated with haying, grazing, and biological control increased slightly. A dramatic change in the control of noxious weeds is the increased use of biological controls. In 1997, the FWS released over 1.1 million insects on 320 new locations. This is similar to the 1996 releases and a three-fold increase over the 1995 insect release.

The FWS mows the roadsides along its properties in accordance with local and county regulations, which generally require roadsides to be mowed by mid or late September. Some neighbors want roadsides mowed several times during the growing season to present a more managed, less weedy appearance.

The principle insect problem in North Dakota is grasshoppers, typically associated with drought and dry periods. Many landowners perceive that grasshopper infestations originate on FWS lands. Typically, grasshoppers lay their eggs on bare soil or areas with sparse vegetation, not areas with vegetative cover. FWS lands are managed to enhance vegetative cover.

The FWS generally will not spray insecticides on its lands since FWS lands are managed for wildlife. Most insecticides suitable for grasshoppers kill all insects, terrestrial and aquatic, which is the main food source for most birds, or are toxic to wildlife.

NATIONAL PARK SERVICE

The spread of noxious weeds is increasingly a serious ecological problem on wildlife refuges in North Dakota. The spread of leafy spurge on Theodore Roosevelt Na-

tional Park is a particularly alarming example. To date, the Park Service has no comprehensive program for addressing this problem.

Question. What plans does the Park Service have to develop and fund a comprehensive program for control of noxious weeds at the Theodore Roosevelt National Park in North Dakota?

Answer. Leafy spurge is a definite problem at Theodore Roosevelt National Park and on the surrounding National Grasslands and private lands. Leafy spurge is doubling in acreage every 10 years and now occupies 4,000 acres reducing available habitat/forage for the ungulates and threatened plant species. The park is currently implementing an integrated pest management approach using chemical, mechanical, and biological controls as well as prescribed fire to battle this aggressive, invasive weed. However, the current level of effort is not enough to contain the leafy spurge. Studies have shown that unless a minimum of 70 percent of a spurge infestation is treated annually control would not be achieved. At current funding levels the park is treating only about 12 percent of the acreage infested with spurge. The National Park Service has identified an additional requirement of $275,000 to protect park resources at Theodore Roosevelt National Park for control and containment of exotic species, with emphasis on leafy spurge. With this level of funding all 4,000 acres affected could be treated. However, funds are not requested in the fiscal year 1999 budget due to competing priorities.

The park has tried many programs to contain leafy spurge. In 1993, the park was granted approval to use Tordon and 2,4-D for Leafy Spurge. Through 1997, the park has sprayed Tordon, a restricted herbicide, on approximately 1,300 acres of spurge. For this herbicide to be effective, the same acreage has to be sprayed for 3–5 consecutive years to contain the spurge and cannot be used within 100 feet of a riparian area or on excessive slopes. In 1997, the park joined in a partnership with American Cyanamid and sprayed 55 acres with Plateau herbicide. This herbicide holds great promise because it can be used right up to the edge of water and in areas with woody vegetation. The results of the fall spraying will be evaluated this year.

The park started placing bio-controls in the form of flea beetles in the park in limited numbers in 1987 through 1991. Large releases occurred beginning in 1992. Since 1987, the park has released seven different species and more than three million insects on over 1800 sites. The population levels of these bio-controls are only now building to such a level on the earlier release sites that some positive results can be seen. Starting in 1996, the park started harvesting flea beetles and giving them to adjacent ranchers. In 1997, more than half a million insects were given away to approximately 60 private individuals. This program shows great promise for the future, but it takes five to six years after release for a beetle population to build to such a level that results can be measured.

In 1997, Agricultural Research Service in Sydney, Montana was successful in obtaining a multi-year funding package to attack spurge in the entire Little Missouri River watershed. Over the next five years there will be approximately five million dollars available for numerous agencies, counties, and states. However, this program will be spread over the entire Little Missouri Watershed. While the funding is significant, it still will not be sufficient to completely contain leafy spurge.

Question. What are your plans in the coming couple of years for recognition of the Lewis and Clark Bicentennial?

Answer. Activities for recognition of the Lewis and Clark Bicentennial are necessarily intertwined with the day to day operations of the Lewis and Clark National Historic Trail and other park units. The Lewis and Clark Expedition occurred from 1804–06; planning for activities has already begun for an observance which will last through fiscal year 2007. In fiscal year 1998, the Lewis and Clark National Historic Trail is increasing the level of partnership involvement in planning and implementing activities to protect, interpret, and maintain the trail for public use and enjoyment. The trail staff is providing extensive technical assistance and guidance to local, State, and Federal agencies and nonprofit organizations that are beginning to plan new and renovated interpretive infrastructure on the trail, and/or that are planning major events during the bicentennial. Specific NPS projects include development of educational and interpretive initiatives, and development of Federal interagency cooperation and coordination for the Bicentennial, including recent formation of a Federal interagency Bicentennial steering committee.

The parks that have involvement with the Lewis and Clark Bicentennial recently completed a planning meeting for the Bicentennial Observance of the Lewis and Clark expedition. The National Park Service will continue to work with all entities during the upcoming years to assist with planning special events, completing infrastructure projects related to the Bicentennial, and other items associated with the expected tourism increase.

Question. What are your particular plans for participation by the Lewis and Clark Bicentennial Foundation in North Dakota?

Answer. The three North Dakota parks, Theodore Roosevelt National Park, Knife River Indian Villages National Historic Site, and Fort Union Trading Post National Historic Site, are working closely with their respective communities to help them gear up for the Bicentennial which is largely in the planning stages at this early date. The Lewis and Clark Bicentennial Foundation in North Dakota is one of many organizations with which the Park Service has interacted to begin planning for the Bicentennial observance. NPS has also been in contact with the North Dakota Lewis & Clark Bicentennial Advisory Committee (to which the governor of North Dakota has appointed park personnel) and the three North Dakota park superintendents recently attended the National Lewis and Clark Bicentennial Council meeting in Bismarck which included a tour of the Knife River Indian Villages NHS.

Question. What amount of funding do you expect will be allocated to the Foundation in fiscal year 1999?

Answer. In fiscal year 1998 the National Park Service was granted an increase of $100,000 for the Park Service trails office in support of Lewis and Clark National Historic Trails activities, and $400,000 for technical assistance and challenge cost share grants related to sites, activities, and events along the length of the Lewis and Clark National Historic Trail. The Park Service was encouraged to work with the Lewis and Clark Bicentennial Council in allocating the funds provided. In fiscal year 1998, $35,000 was transferred to the Foundation and it is expected that a similar amount will be transferred in fiscal year 1999.

U.S. Geological Survey

The Biological Resources Division of USGS has ongoing and new programs focusing on several areas that are important to the people of North Dakota. These include evaluation and restoration of wetlands, Missouri River assessment, and research on grasslands ecosystems, grassland bird use of CRP lands, and exotic weed control methods.

Question. What are the results of evaluation of wetlands restored as mitigation for Garrison Diversion? What are the results of evaluation of wetlands restored through USDA's Wetland Reserve Program? Can you identify opportunities to apply this program to help provide upper basin water storage opportunities in the Devil's Lake Basin?

Answer. Northern Prairie Wildlife Research Center, U.S. Geological Survey, and the Bureau of Reclamation, Bismarck Office, conducted a multiple year study of Garrison Diversion wetland mitigation efforts that is just now coming to conclusion. Three mitigation sites were paired with natural sites in the Cottonwood Lake wetland complex in Stutsman County. The oldest site was 10–12 years post mitigation, another was 7–8 years post mitigation, and the third was black dirt in an open field—0 years post mitigation. The quality of plant life greatly increased on the sites with time and breeding birds responded by using this habitat almost immediately. Although not as well-developed ecologically as more natural sites, the mitigation sites all have many similarities to sites with native cover, and the lag in development of the plant communities can be attributed entirely to the severe disturbance on the sites at the start of mitigation. Hydrologically, they are functioning as wetlands within wetland complexes, with recharge and discharge basins working in tandem. The approach used to restore a complex of wetlands instead of individual basins permitted development of natural complexes that should be self-sustaining. Continued work on this study involves analysis of water samples taken over a period of five years.

The Wetland Reserve Program is not active everywhere. For example, in North Dakota, it cannot be used because it must be attached to permanent easements. USGS Northern Prairie Wildlife Research Center realized the benefits of the Wetland Reserve Program could be much broader by evaluating all types of wetland restorations. USGS has looked at a sample of 204 basins restored by a number of federal, state, and private agencies, all of which are similar to those that will be restored in the Wetland Reserve Program. Two treatments (drained and non-drained analogues in agricultural sites) were compared with pristine wetlands appropriately referenced in the Missouri Coteau, the Prairie Coteau, and the Glaciated Plains. These data are now being used by Northern Prairie in an effort funded by the USDA Wetland Science Institute to develop siting criteria for restoring wetlands. Lands from Montana to Iowa will be divided into sub-watersheds, within which USGS will provide information on impacts to wildlife, water quality, water retention, etc. to restore wetlands as proposed in the Wetland Reserve Program. The information will be available to all parties considering restoration as a mitigation tool,

or who wish to develop wetlands for their own sake. The guidelines are sufficient to guide selection such that maximum wetland values for flood retention, water quality, wildlife, and other uses are maximized.

Yet, any program restoring natural wetland function can be expected to have positive effects in the Devil's Lake Basin. In particular, restoration of wetlands and the development of wetland complexes will restore the natural hydrology. This, in turn, guarantees maximum retention of water in basins on the landscape while providing numerous ancillary benefits for private landowners and the public. All data collected to date show that maintenance of natural hydrological systems in the Dakotas is the best means to retain water on the landscape, slow its flow to major drainage channels, and thereby reduce the extremes in oscillations in stream and river levels.

Question. How will your new program of research into grassland ecosystems evaluate the positive effects of agricultural practices along with the negative effects?

Answer. Grassland systems are maintained by disturbance, which, before European settlement, was provided by bison, drought, and fire. Modern disturbances including livestock grazing, drought, and mowing are still in effect, even though fire, a major determinant of grassland health, is largely controlled. Some negative impacts of concern include invasive exotic plants, overuse of chemicals, fragmenting large patches of wildlife habitat, and general loss of species diversity. New research at the USGS Northern Prairie Wildlife Research Center will be investigating means to maintain viable plant communities and thereby viable animal communities, especially migratory birds, within the context of the agricultural community of the Great Plains. For example, properly managed grazing can increase plant diversity and develop habitat for shorebirds. Fire can be used to rejuvenate senescent grasslands, and choices can be made which maintain grasslands in large enough tracts to support wildlife. Although USGS treats migratory birds as a major focus, the results of studies designed to identify best management practices for them will, in fact, identify best management practices for many other wildlife species and the entire grassland ecosystem. These best practices will incorporate the entire range of current human use of the grasslands, providing private landowners and government agencies information on means to optimize values for themselves and the entire system.

Question. Rising water levels in the Devil's Lake Basin constitute a chronic emergency for the citizens of the basin. Predictions are for a continued trend towards wet weather which will further aggravate this situation and cause continued property loss. What work is the USGS doing in support of studies related to an emergency outlet from Devil's Lake?

Answer. During fiscal year 1998, USGS will complete one major interpretive study and a water-quality monitoring program in support of studies related to the emergency outlet. USGS has developed a statistical model to simulate possible future lake levels with and without an emergency outlet. As part of the emergency outlet studies, the Corps of Engineers has asked USGS to modify the model to evaluate the potential effects of bottom sediment flux and in-lake processes on major ion and dissolved solids concentrations of Devils Lake, and on downstream water quality under operation of an emergency outlet. USGS made 10,000 simulations, each 50 years in length, to estimate the full range of future water-quality and lake level conditions and their probabilities. The simulations are used by the Corps of Engineers and their contractors to determine the economic feasibility of the emergency outlet and to evaluate the environmental impact of the proposed outlet both within Devils Lake and downstream of the outlet location.

The interaction between the bed sediments and water in Devils Lake is not well understood. Assuming no interaction between the bed sediments and the lake bottom, the model indicates a slowly increasing trend in sulfate mass in the lake from 1988 to 1997; however, the mass calculated from water samples from the lake shows a much larger and more complex trend. USGS is conducting a water-quality monitoring program during 1998 to help improve model estimates made in support of the emergency outlet studies.

USGS also operates eight streamflow gauging stations and three lake level stations under the Federal-State Cooperative Water Program. These data collection activities support the studies related to an emergency outlet from Devils Lake.

QUESTIONS SUBMITTED BY SENATOR ROBERT BENNETT

WILD AND SCENIC RIVERS

Almost a year ago, Assistant Secretary Bob Armstrong issued a record of decision regarding Wild and Scenic Rivers designation for Arizona that included the tribu-

taries of the Virgin River. We were not pleased with that decision as we were not consulted, nor notified about the designation which threatens the delicate balance of the Virgin River Habitat Management Plan that was created in partnership with your Department. In response, members of the Utah Delegation sent a pointed letter to Assistant Secretary Armstrong dated October 22, 1997.

We have, unfortunately, not received a response yet which leads me to assume one of two things. Either Mr. Armstrong does not enjoy receiving and answering our letters, or he does not intend to answer that letter. While this has become the standard procedure with our friends at the Council on Environmental Quality, it has been to this date uncharacteristic of your Agency.

Question. I ask you to please provide me with a response to our letter as soon as possible. I know that it will be responsive and I look forward to working closely with you and Mr. Armstrong to resolve Utah's concerns.

Answer. Please accept our sincere apology for our untimely response to the letter from members of the Utah Delegation. Mr. Armstrong did send a response, dated April 17, 1998, to the Honorable James V. Hansen.

GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT

Representatives from the School and Institutional Lands Administration have met with your representatives concerning a reasonable proposal to trade out most of the Trust lands within the Monument. Surprisingly, representatives of the environmental community have received SITLA's proposal very well. A group of 20 representatives of the Utah Wilderness Coalition were in my office about four weeks ago, and expressed their support for prompt action of a SITLA exchange.

Question. I am curious to know what you think of the SITLA proposal? If we were to introduce legislation to implement the exchange, would the Administration offer its support and assist us in moving it?

Answer. The SITLA proposal served as the basis for beginning discussions on the exchange of Monument inholdings, which concluded with the agreement signed on May 8, 1998. Legislation ratifying that agreement is now before the House of Representatives. Secretary Babbitt gave his full support to the legislation as he testified with Governor Leavitt on May 19, before the Chairman Jim Hansen's House Resources Subcommittee on Parks and Public Lands.

Mr. Secretary, visitation to the area now known as "The Monument" has quadrupled in the last 18 months. Though there is no effective means in place to register the number of new visitors, I know from my County Commissioners and State Park Supervisors that the increased number have had far reaching impacts. This influx of visitors to the Monument has made campgrounds continually full and as a result provided a need for other new services. Garfield County needs a new garbage truck to handle the increased trash left by visitors and Kane County needs additional sheriffs deputies. I want to help them somehow.

Question. What would your response be should I seek to provide additional funds above what is requested through the BLM budget to Kane and Garfield Counties to alleviate some of the infrastructure problems associated with the increased visitation?

Answer. In 1998, BLM funds have been provided to assist Garfield and Kane Counties with planning, law enforcement, trash collection, and other needs associated with the startup of the Monument. New cooperative agreements have recently been established that provide flexibility for each county to use $250,000 to meet needs such as those described in the question. Together with funds provided in 1997, these federal appropriations have helped absorb short-term impacts associated with the Monument. It should be noted, however, that both counties have carried over funds from the 1997 cooperative agreements into 1998. Moreover, the newly signed 1998 agreements provide for the use of this funding through fiscal year 1999, and it appears that a significant portion of the 1998 funds will be carried forward into the next fiscal year. Thus, additional fiscal year 1999 funding for Kane and Garfield Counties is not now warranted.

Going beyond this "front-end" assistance to a long term commitment raises a different set of policy and budgetary issues. Other counties, in Utah and elsewhere, would oppose selective, ongoing assistance to two counties, as they argue that many are significantly more impacted by federal conservation units and associated visitation. Both Secretary Babbitt and the Appropriations Committees of the Congress have been reluctant to support individual county appropriations for exactly this reason of precedent and perceived unfairness.

Question. Will the Planning Team meet the deadline of September 18, 1999 to have a completed planning document and a management plan in place? What assurances will you give me that the Administration accept the planning document?

Answer. The planning team is currently on schedule to produce a Monument Management Plan/Environmental Impact Statement Record of Decision that will be signed by the Secretary by September 18, 1999 as directed by the President. Implementation of the Monument Management Plan would begin immediately after the Secretary signs the record of decision for the plan. We anticipate that a Draft Monument Management Plan and Environmental Impact Statement will be available in the Fall of 1998.

UTAH WILDERNESS

Question. Recently a court ruled that the State of Utah did not have standing to challenge your efforts to find 5 million acres of wilderness. What are your plans now with regards to proceeding with the Babbitt wilderness reinventory?

Answer. There has never been any effort to "find 5 million acres of wilderness." The wilderness reinventory is simply a fact-gathering, and does not itself change the management or use of public lands. The Bureau of Land Management is assessing the recent court decision to determine possible future actions. However, the court-ordered injunction is still in place, pending further legal proceedings, and no decision about how to proceed has been made, nor will be made until after the injunction is lifted.

SAN RAFAEL SWELL HERITAGE AREA

Mr. Secretary, we will hear a great deal about the need for balance today. To help resolve the impasse on wilderness in Utah, the County Commissioners from Emery County, Utah have been working on a proposal to create a million acre San Rafael Swell Heritage Area. This proposal will designate over 360,000 acres of true wilderness and protect an additional 300,000 acres of primitive and semi-primitive areas including tens of thousands of acres of bighorn sheep preserve.

I believe that this local, on-the-ground approach is the best and probably only way to resolve the wilderness issue. Congressman Cannon and Congressman Hansen will introduce legislation today to create the San Rafael Swell Heritage Area. I will introduce a similar bill with Senator Hatch when we return from our April recess.

Question. Mr. Secretary, I will invite you to come to Emery County with me and visit these areas with the County Commissioners. I have some free time at the end of May. Will you please come and spend a day in the proposed San Rafael Swell Heritage Area with us and explore the proposed areas further?

Answer. I look forward to a visit to the area with you. I also understand that the Bureau of Land Management Utah State Office has been working with Emery County officials to develop a plan for surveying historical and cultural sites in the county as a necessary first step to determining the actions that need to be taken by various government entities to assure the proper identification and protection of those sites.

DRAINING OF LAKE POWELL

In case my colleagues on the Committee are not aware, last year the Sierra Club Board passed a resolution to support the decommissioning of the Glen Canyon Dam, the draining of Lake Powell and the restoration of Glen Canyon to its former state.

Question. Mr. Secretary, please elaborate for the Committee the short and long term impacts of this action, if it were to occur. What is the Administration's position on the decommissioning of Glen Canyon Dam and Lake Powell? Will you join us in developing a strategy to educate the public on the benefits of the dam and the lake?

Answer. The Colorado River Storage Project Act of 1956 and the Colorado River Basin Project Act of 1968 provided for the comprehensive development of the Colorado River Basin. The Colorado River Storage Project (CRSP) furnishes the long-term regulatory storage needed to allow States in the Upper Basin to develop their share of Colorado River water and meet their flow obligation at Lees Ferry, as defined in the Colorado River Compact of 1922. In addition, as a result of the storage of water in CRSP reservoirs, a significant amount of electrical energy is produced to meet the needs of the Upper Basin and adjacent areas, flooding is better controlled, and significant recreation benefits are provided.

The primary short term impact of draining Lake Powell would be its cost. No estimate has been developed, but it is safe to assume it would cost hundreds of millions of dollars. Long-term impacts might be described as follows:

Water Resources: Historical records show that, at the 1997 level of Colorado River water use, both Lake Powell and Lake Mead would have been needed during the 1930's, 1940's, 1950's, and 1960's to store the water needed to make the deliveries to the Lower Basin guaranteed by the 1922 Compact. In all such periods, recorded

annual flows at Lees Ferry were less than 7.5 million acre-feet (maf) during one or more years, with a low of 4.4 maf in 1934. Without carry-over storage in Lake Powell, the Upper Basin States would not only experience significant water shortages if a drought like that in 1934 were to occur today, but they would also have to forgo approximately 1.7 maf of future development.

In addition, in the absence of Lake Powell, the level of Lake Mead would fluctuate greatly and there would be more frequent and greater floods below Hoover Dam. Reclamation would have to study the safety of dams below the Grand Canyon, modify flood control operations at Hoover Dam, and study modifications to the floodway from Hoover Dam to the Southerly International Boundary to accommodate more frequent floods.

Power Resources: The Colorado River system, including Glen Canyon Dam and other CRSP powerplants, generates enough power to meet the needs of 3 million people, or to partially meet the needs of 9 to 12 million people. Net generation by all CRSP powerplants was 7.3 billion kilowatt-hours in fiscal year 1996, and Glen Canyon Dam accounts for about 75 percent of the total. If Lake Powell were to be drained, not only would the loss of Federal revenue be significant—about $98 million in fiscal year 1996—but the power generated at Glen Canyon Dam would have to be replaced from some other source or sources.

Recreation Resources: The Glen Canyon National Recreation Area (NRA) attracts over 2.5 million visitors per year. Over 700 houseboats and small boats are rented on a daily or weekly basis, nearly 2,000 private boats are berthed, and over 2,500 dry storage spaces are used each summer. Accommodations within Glen Canyon NRA include 400 hotel rooms and 600 campsites, while thousands more camp on boats and on shoreline beaches. Economic impacts associated with the loss of this industry, which is dependent upon the existence of Lake Powell, would exceed $400 million per year, and the reservoir fishery would be lost.

In addition, the white water rafting industry has evolved into a nearly year-round tourist-based economy for Page and Flagstaff, Arizona. The Dam provides stable and predictable flows during both high runoff and low runoff and/or drought periods. About 42,000 people float the calm waters between the Dam and Lees Ferry annually. Without the Dam, the rafting economy would be limited to the runoff period in the spring and early summer, with flows greater than 45,000 cfs typically lasting only six to ten weeks.

Visual Resources: When drained, the upper end of Lake Powell would contain silt as well as some amount of waste left by water users. The canyon walls would be stained white from the water stored since 1963. No one knows for sure, but it is anticipated it would take centuries for the canyon floor to be cleaned up and for the natural color to reappear on the canyon walls.

In summary, the proposal to decommission Glen Canyon Dam is not realistic. To assist in making decisions on operation of the Dam in a manner that balances the impacts on and benefits to all resources, an Adaptive Management Program has been established. In addition, the Grand Canyon Monitoring and Research Center has been established to collect and analyze scientific data related to operation of the Dam and protection of related resources. The Adaptive Management Work Group, which includes representatives of State, Federal, Tribal, environmental, power and recreational interests, has been meeting and has made significant progress on addressing the complicated issues related to these resources.

CONCESSIONS REFORM

Mr. Secretary, as you know, I have now worked with Senator Bumpers for almost four years on reforming the concessions policy for the National Park Service. We have made progress, but we still have a considerable way to go. As you know, Senator Thomas has introduced legislation that lays out a vision of where the Park Service can and perhaps should be in twenty years.

Question. I would appreciate your insight on the bill as introduced with regards to the section on Concession Policy Reform.

Answer. The administration's position on Title IV of S. 1693 (concession reform), as proposed by Senator Thomas, was presented in testimony prepared for the April 30, 1998 hearing before the Senate Subcommittee on National Parks, Historic Preservation and Recreation. The following is a synopsis of that testimony.

The administration opposes Title IV of S. 1693 as it appears to work under the assumption that many areas of the existing law need to be changed for the benefit of concessioners. This notion does not comport with the many independent studies conducted by GAO, the Inspector General's Office, and others that have concluded that Public Law 89–249, the existing law which governs concessions contracting, gives undue benefits to park concessioners at the expense of park visitors and the

taxpayer. Specifically, NPS is concerned that (1) the standard it adopts for locating new concessions or expanding existing operations might threaten park resources and nearby businesses by encouraging unnecessary concessions, (2) the Concession Manager it would place in charge of all aspects of concessions development and operations could act in its own commercial interest to the detriment of resources, (3) the bill does not offer adequate protection from concessioners price gouging visitors, and (4) the clause concerning maintenance is ill-conceived both in placing a ceiling on maintenance requirements and allowing the maintenance fund to be tapped for capital improvements. NPS does support the aspect of the bill that would eliminate the right of preference in contract renewal, but would advocate a lower dollar threshold for those contracts subject to competition. In conclusion, NPS is concerned that Title IV of S. 1693 would place commercial interests ahead of park protection and the visitor experience.

SHIVWIT INDIAN WATER RIGHTS SETTLEMENT

The State of Utah and the City of St. George, along with several irrigation companies holding water rights for the Santa Clara River, have been negotiating to settle "Federal Reserved Water Rights" for the Shivwits Band of the Southern Paiute Indian. The State of Utah, St. George City, irrigation and the Shivwits Band have reached an agreement in principal as to the amount and source of "wet" water for the Band to use for economic development.

This agreement was submitted by the Band to the Federal Water Negotiation Team on October 9, 1997. This proposed settlement agreement negotiated by all of the involved local entities was rejected by the Federal team on December 9, 1997, based on environmental concerns. This was done despite the fact that no environmental assessment or Section 7 consultation on which to base such a decision has been completed or even begun.

Question. Mr. Secretary, why should the Federal Negotiation Team, consisting of people living in the area, be in a position to reject this proposal without going through the proper process?

Answer. As the federal entity charged with assisting the Shivwits Band of Paiute Indians with the negotiation and settlement of its federally reserved water rights, the Shivwits federal negotiating team was asked to review and comment on the "Summary of Shivwits Settlement Proposal" provided to the Department by Band Counsel on October 9, 1997. In a response letter dated December 9, 1997, the federal team, composed of representatives from the Bureau of Indian Affairs, the US Fish and Wildlife Service, the Bureau of Reclamation, the Interior Solicitor's Office, and the US Department of Justice, offered its concerns and comments to the proposal. One aspect of the proposal involves the construction of a water reuse project (consisting of a waste water treatment plant and pipeline in St. George, Utah) to provide approximately one half of the water allocated to the Band under the Settlement.

The federal team stated in its response that "serious endangered species concerns * * * would most likely undermine the construction and operations of the water reuse project, and thereby prevent the Band from realizing the benefits of such a water source." The federal team recommended that because of the serious endangered species concerns, it would be a disservice to the Band for the team to consider further the reuse water and its associated construction and delivery costs as part of a water settlement package. The team based its concerns and comments on a draft of the Virgin River Management Plan dated January 15, 1997, letters authored by the U.S. Fish and Wildlife Service regarding the St. George waste water treatment plant, and verbal discussions with the US Fish and Wildlife Service regarding increased consumptive depletion from the Virgin River under the reuse proposal.

In its December 9th response letter to the Band, the federal team was not formally rejecting the settlement proposal or the water reuse project without going through an environmental assessment or Section 7 consultation. The federal team was acting pursuant to its negotiation authority under 55 F.R. 9223 and offering its legal and technical advice to the Band as to the advisability of continuing to pursue the water reuse project in settlement negotiations as a source of water for the Band in light of the serious endangered species concerns. The Department and the Federal team remain committed to working with the Band and non-Indian water users in the Santa Clara and Virgin River basins, including the State of Utah and the City of St. George, to seek a negotiated settlement of the Band's federally reserved Indian water rights that allows the Band to realize the benefits of its water rights.

U.S. GEOLOGICAL SURVEY

The USGS engages in cooperative activities with other Federal agencies, State and local government and foreign governments in water resources, mapping and remote sensing through the Water Resources Division, national Mapping Division, and Biological Resources Division, respectively. The annual Interior Appropriations bill provides authority for up to 50 percent cooperative funding with State and local government for water resource investigations and topographic mapping.

Question. For each of the past three fiscal years, with which entities you have such agreements, what services did you perform for them, what was the dollar value of your contribution and the cooperator's contribution, and was a private contractor or in-house resources utilized in the provision of each cooperative services?

Answer.

FISCAL YEAR 1995 CO-OP AGREEMENTS WITH STATE AND LOCAL GOVERNMENTS FOR TOPOGRAPHIC MAPPING

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Alaska	1	digital data collection and topographic mapping.	$33	$33	$51
Arkansas	1	digital data collection	15	15	
Connecticut	1	...do	13	17	4
Florida	3	digital data collection and topographic mapping.	454	454	662
Georgia	3	digital data collection	7	7	
Idaho	2	...do	2	2	
Illinois	7	digital data collection and topographic mapping.	59	59	
Indiana	1	...do	124	124	102
Iowa	2	...do	17	17	
Kansas	2	topographic mapping	22	22	
Kentucky	2	digital data collection and topographic mapping.	76	76	
Louisiana	1	topographic mapping	98	98	
Michigan	1	digital data collection	5	5	
Minnesota	1	...do	447	473	694
New Jersey	1	aerial photography	18	33	51
Nevada	2	digital data collection	3	9	6
North Carolina	2	digital data collection and topographic mapping.	180	180	
New Mexico	1	digital data collection	9	9	
North Dakota	2	...do	7	35	28
Ohio	1	...do	91	91	
Oklahoma	1	digital data collection and topographic mapping.	65	65	98
Pennsylvania	1	...do	312	341	73
South Carolina	1	digital data collection	237	237	434
South Dakota	2	...do	41	41	
Texas	2	digital data collection, topographic mapping, and aerial photography.	92	257	349
Utah	1	digital data collection and topographic mapping.	13	13	
Virginia	1	...do	21	21	
Wisconsin	3	digital data collection	37	37	
Total	48		2,493	2,766	2,552

FISCAL YEAR 1995 STATE COOPERATIVE PROGRAM FOR WATER RESOURCES INVESTIGATIONS

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Alabama	26	(1)	$765	$827	(2)
Alaska	13	(1)	1,038	1,300	(2)
Arizona	24	(1)	1,046	2,046	(2)
Arkansas	11	(1)	725	784	(2)
California	81	(1)	3,912	5,981	(2)
Colorado	80	(1)	2,007	2,072	(2)
Connecticut	7	(1)	440	1,218	(2)
Florida	50	(1)	5,114	8,348	(2)
Georgia	34	(1)	1,400	1,650	(2)
Hawaii	18	(1)	1,231	2,619	(2)
Idaho	12	(1)	1,127	1,470	(2)
Illinois	26	(1)	1,027	1,099	(2)
Indiana	8	(1)	931	1,965	(2)
Iowa	15	(1)	833	833	(2)
Kansas	21	(1)	1,159	1,341	(2)
Kentucky	14	(1)	887	1,107	(2)
Louisiana	16	(1)	1,131	1,133	(2)
Maine	10	(1)	308	356	(2)
Maryland, District of Columbia, and Delaware	10	(1)	1,113	2,043	(2)
Massachusetts, and Rhode Island	18	(1)	1,193	2,756	(2)
Michigan	27	(1)	718	1,537	(2)
Minnesota	15	(1)	1,028	1,124	(2)
Mississippi	10	(1)	880	1,098	(2)
Missouri	14	(1)	697	1,171	(2)
Montana	18	(1)	1,159	1,204	(2)
New Hampshire, Vermont	5	(1)	520	1,100	(2)
Nebraska	27	(1)	731	884	(2)
Nevada	20	(1)	1,846	2,375	(2)
New Jersey	21	(1)	2,030	3,003	(2)
New Mexico	26	(1)	1,616	2,000	(2)
New York	28	(1)	2,422	4,257	(2)
North Carolina	23	(1)	1,457	1,712	(2)
North Dakota	16	(1)	682	682	(2)
Ohio	19	(1)	1,083	1,707	(2)
Oklahoma	15	(1)	843	856	(2)
Oregon	25	(1)	1,253	1,360	(2)
Pennsylvania	34	(1)	1,565	3,545	(2)
Puerto Rico and Virgin Islands	9	(1)	1,557	3,305	(2)
South Carolina	22	(1)	1,400	1,406	(2)
South Dakota	30	(1)	1,076	1,136	(2)
Tennessee	37	(1)	1,021	1,033	(2)
Texas	60	(1)	2,840	4,698	(2)
Utah	26	(1)	1,227	1,358	(2)
Virginia	17	(1)	618	967	(2)
Washington	39	(1)	1,425	1,729	(2)
West Virginia	5	(1)	529	529	(2)
Wisconsin	66	(1)	1,573	1,873	(2)
Wyoming	22	(1)	929	978	(2)

FISCAL YEAR 1995 STATE COOPERATIVE PROGRAM FOR WATER RESOURCES INVESTIGATIONS—Continued

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Total	1,170		63,112	90,575	

[1] Services performed: investigations that focus on the areas of water availability, flood hazards, contaminated environment, and water data & information.

[2] Contract: utilize private contractors to conduct approximately 5 percent to 10 percent of the work performed. Contractors are primarily used to provide support services.

FISCAL YEAR 1996 COOPERATIVE AGREEMENTS WITH STATE AND LOCAL GOVERNMENTS FOR TOPOGRAPHIC MAPPING

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Alaska	1	digital data collection and topographic mapping.	$19	$19	27
Arkansas	1	digital data collection		9	9
California	4	...do	76	76	124
Colorado	1	...do		33	33
Florida	4	digital data collection and topographic mapping.	1,293	1,319	2,193
Georgia	4	digital data collection	884	916	1,489
Illinois	5	topographic mapping and digital data collection.	222	236	14
Indiana	1	...do	74	74	
Iowa	1	...do	6	32	27
Kansas	1	topographic mapping	8	8	
Kentucky	2	topographic mapping and digital data collection.	7	32	25
Louisiana	1	topographic mapping	112	112	
Michigan	1	digital data collection	17	17	
Minnesota	1	...do	23	54	31
Missouri	2	...do	3	27	25
Mississippi	1	aerial photography	44	132	176
Montana	3	digital data collection	16	16	18
Nevada	1	...do		2	2
North Carolina	2	topographic mapping and digital data collection.	603	603	834
New Hampshire	1	digital data collection		7	7
New Jersey	2	...do	140	140	212
New Mexico	2	...do	8	8	
North Dakota	2	...do		17	17
Oklahoma	1	topographic mapping and digital data collection.	115	154	39
Pennsylvania	1	...do	366	366	376
South Carolina	1	digital data collection	349	349	532
Texas	5	topographic mapping, digital data collection, and aerial photography.	221	379	472
Utah	1	digital data collection and topographic mapping.	177	177	262
Virginia	1	topographic mapping and digital data collection.	49	76	27

FISCAL YEAR 1996 COOPERATIVE AGREEMENTS WITH STATE AND LOCAL GOVERNMENTS FOR TOPOGRAPHIC MAPPING—Continued

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Wisconsin	3	digital data collection	11	16	20
West Virginia	2	aerial photography	38	110	144
Total	59		4,881	5,483	7,135

FISCAL YEAR 1996 FEDERAL STATE COOPERATIVE PROGRAM FOR WATER RESOURCES INVESTIGATIONS

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Alabama	25	(1)	$800	$818	(2)
Alaska	11	(1)	1,038	1,359	(2)
Arizona	24	(1)	1,080	2,034	(2)
Arkansas	10	(1)	755	888	(2)
California	84	(1)	3,912	5,690	(2)
Colorado	85	(1)	2,009	2,034	(2)
Connecticut	9	(1)	537	815	(2)
Florida	53	(1)	5,189	7,708	(2)
Georgia	31	(1)	1,475	1,829	(2)
Hawaii	19	(1)	1,197	2,623	(2)
Idaho	12	(1)	1,138	1,469	(2)
Illinois	30	(1)	1,007	1,080	(2)
Indiana	9	(1)	926	2,175	(2)
Iowa	20	(1)	765	852	(2)
Kansas	15	(1)	1,182	1,387	(2)
Kentucky	14	(1)	887	961	(2)
Louisiana	17	(1)	1,163	1,174	(2)
Maine	10	(1)	320	419	(2)
Maryland, District of Columbia, and Delaware	15	(1)	1,108	1,782	(2)
Massachusetts and Rhode Island	15	(1)	1,213	2,687	(2)
Michigan	43	(1)	743	1,346	(2)
Minnesota	16	(1)	1,035	1,145	(2)
Mississippi	13	(1)	930	1,376	(2)
Missouri	13	(1)	705	1,181	(2)
Montana	16	(1)	1,076	1,155	(2)
New Hampshire and Vermont	6	(1)	504	1,184	(2)
Nebraska	24	(1)	738	932	(2)
Nevada	20	(1)	1,846	2,448	(2)
New Jersey	22	(1)	1,980	3,162	(2)
New Mexico	26	(1)	1,590	2,466	(2)
New York	32	(1)	2,435	4,575	(2)
North Carolina	23	(1)	1,575	2,213	(2)
North Dakota	24	(1)	706	712	(2)
Ohio	22	(1)	1,082	1,582	(2)
Oklahoma	13	(1)	950	962	(2)
Oregon	24	(1)	1,253	1,265	(2)
Pennsylvania	35	(1)	1,565	4,174	(2)
Puerto Rico and Virgin Islands	7	(1)	1,525	2,869	(2)

FISCAL YEAR 1996 FEDERAL STATE COOPERATIVE PROGRAM FOR WATER RESOURCES INVESTIGATIONS—Continued

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
South Carolina	23	(1)	1,300	1,342	(2)
South Dakota	25	(1)	1,084	1,173	(2)
Tennessee	34	(1)	800	800	(2)
Texas	60	(1)	2,849	4,430	(2)
Utah	21	(1)	1,227	1,249	(2)
Virginia	20	(1)	598	896	(2)
Washington	38	(1)	1,413	1,466	(2)
West Virginia	6	(1)	487	487	(2)
Wisconsin	67	(1)	1,558	1,765	(2)
Wyoming	22	(1)	874	879	(2)
Total	1,203		62,129	89,018	

[1] Services performed: investigations that focus on the areas of water availability, flood hazards, contaminated environment, and water data and information.

[2] Contract: utilize private contractors to conduct approximately 5 percent to 10 percent of the work performed. Contractors are primarily used to provide support services.

FISCAL YEAR 1997 COOPERATIVE AGREEMENTS WITH STATE AND LOCAL GOVERNMENTS FOR TOPOGRAPHIC MAPPING

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Alaska	1	digital data collection and topographic mapping.	$4	$4	
Arkansas	1	digital data collection	1	1	
California	4	...do	6	6	$2
Florida	5	digital data collection topographic mapping.	809	809	7
Georgia	1	digital data collection	102	102	161
Idaho	5	...do		19	19
Illinois	4	digital data collection and topographic mapping.	39	39	
Iowa	1	...do	1	1	
Kansas	2	topographic mapping	15	30	15
Kentucky	1	digital data collection, topographic mapping, and aerial photography.	172	209	334
Louisiana	2	topographic mapping	131	149	18
Minnesota	2	digital data collection	392	392	686
Missouri	5	...do	330	330	581
Mississippi	1	...do		2	2
Montana	2	...do	2	2	
Nevada	1	...do	1		
North Carolina	2	digital data collection and topographic mapping.	302	302	565
North Dakota	1	digital data collection	01	11	21
New Jersey	1	...do	3	3	
New Mexico	2	...do	74	74	128
New York	1	...do	32	32	61

FISCAL YEAR 1997 COOPERATIVE AGREEMENTS WITH STATE AND LOCAL GOVERNMENTS FOR TOPOGRAPHIC MAPPING—Continued

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Ohio	1	...do	4	4	.....
Oklahoma	2	digital data collection and topographic mapping.	360	360	507
Pennsylvania	1	...do	250	250	427
South Carolina	1	digital data collection	74	74	95
Texas	1	digital data collection topographic mapping.	18	18	.....
Utah	1	...do	57	57	105
Virginia	1	...do	78	78	.....
Washington	1	digital data collection	60	60	.....
Wisconsin	2	...do	30	30	8
Total	56		3,350	3,449	3,742

FISCAL YEAR 1997 FEDERAL STATE COOPERATIVE PROGRAM FOR WATER RESOURCES INVESTIGATIONS

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
Alabama	28	(1)	$860	$860	(2)
Alaska	13	(1)	1,058	1,281	(2)
Arizona	25	(1)	1,101	2,127	(2)
Arkansas	11	(1)	818	903	(2)
California	81	(1)	4,275	6,973	(2)
Colorado	86	(1)	2,130	2,318	(2)
Connecticut	11	(1)	540	731	(2)
Florida	49	(1)	5,338	8,031	(2)
Georgia	29	(1)	1,575	1,962	(2)
Hawaii	17	(1)	1,220	2,550	(2)
Idaho	16	(1)	1,143	1,628	(2)
Illinois	30	(1)	1,042	1,374	(2)
Indiana	10	(1)	981	1,818	(2)
Iowa	26	(1)	803	849	(2)
Kansas	13	(1)	1,221	1,484	(2)
Kentucky	19	(1)	912	912	(2)
Louisiana	19	(1)	1,207	1,333	(2)
Maine	8	(1)	270	291	(2)
Maryland, District of Columbia, and Delaware	14	(1)	1,190	1,670	(2)
Massachusetts, Rhode Island	19	(1)	1,248	2,400	(2)
Michigan	35	(1)	778	1,293	(2)
Minnesota	20	(1)	1,063	1,131	(2)
Mississippi	12	(1)	955	1,244	(2)
Missouri	14	(1)	797	1,512	(2)
Montana	16	(1)	1,021	1,033	(2)
New Hampshire and Vermont	8	(1)	545	1,173	(2)
Nebraska	26	(1)	771	842	(2)
Nevada	21	(1)	1,882	2,229	(2)
New Jersey	21	(1)	2,155	3,335	(2)

FISCAL YEAR 1997 FEDERAL STATE COOPERATIVE PROGRAM FOR WATER RESOURCES INVESTIGATIONS—Continued

[Dollars in thousands]

State	Number of State and local co-op	Services performed	USGS contribution	Cooperator contribution	Contract amount
New Mexico	27	(1)	1,628	2,824	(2)
New York	35	(1)	2,460	4,530	(2)
North Carolina	21	(1)	1,650	2,426	(2)
North Dakota	23	(1)	684	711	(2)
Ohio	27	(1)	1,118	1,620	(2)
Oklahoma	17	(1)	1,017	1,077	(2)
Oregon	27	(1)	1,272	1,318	(2)
Pennsylvania	36	(1)	1,585	3,973	(2)
Puerto Rico and Virgin Islands	8	(1)	1,550	3,094	(2)
South Carolina	22	(1)	1,350	1,427	(2)
South Dakota	27	(1)	1,148	1,179	(2)
Tennessee	31	(1)	850	850	(2)
Texas	58	(1)	2,909	4,773	(2)
Utah	23	(1)	1,250	1,279	(2)
Virginia	19	(1)	691	956	(2)
Washington	46	(1)	1,462	1,608	(2)
West Virginia	9	(1)	499	499	(2)
Wisconsin	60	(1)	1,603	1,741	(2)
Wyoming	23	(1)	937	937	(2)
Total	1,236		64,562	92,109	

[1] Services performed: investigations that focus on the areas of water availability, flood hazards, contaminated environment, and water data and information.

[2] Contract: utilize private contractors to conduct approximately 5 percent to 10 percent of the work performed. Contractors are primarily used to provide support services.

OMB Circular A–76, governing performance of commercial activities, limits the use of Inter-service support agreements, whereby one agency provides a commercial activity to another Federal agency. Architect-engineer services (as defined in 40 U.S.C. 541 et. seq., and Part 36 of the Federal Acquisition Regulations), including water resource investigations, mapping, and remote sensing, are clearly commercial activities. Under the Circular, and the "Economy Act", an agency may not provide services to another agency unless the "provider" agency has conducted a cost comparison under Circular A–76 and justified in-house performance.

Question. To what extent does USGS provide water resource investigations, mapping and remote sensing services to other Federal agencies?

Answer. To assist in meeting its mission requirements related to assessing the Nation's water resources, USGS partners with about 30 other Federal agencies having needs for water resource data, assessments, and research. Much of the mapping and remote sensing activities for which the USGS receives reimbursement are cost shared by the Federal partners and accomplished by private sector partners through contract with the USGS. Because the USGS has the contractual instruments in place to undertake this mission-essential work, needs identified by other Federal agencies can be fulfilled concurrently with the needs of USGS, and the Federal Government saves taxpayer dollars through efficiency, avoids duplication that would result if the reimbursable agreements were not in place, and provides the mechanism for appropriate functions to be undertaken through the private sector.

Funds provided to USGS by other Federal agencies to address water resources issues totaled $90 million in fiscal year 1997. This funding is expected to be about the same in fiscal year 1998 and fiscal year 1999. Prominent water resources activities for which USGS receives funding from other Federal agencies include the following:

Land management bureaus within the Department of the Interior (DOI) and the U.S. Forest Service: USGS collects basic hydrologic data, including streamflow data, water quality data, and data on the levels and quality of

ground water. This monitoring supports the Federal land and water management agencies in:

—ensuring safe and efficient dam operations;

—evaluating mining permits;

—quantifying water rights on Native American Tribal lands;

—responding to decrees of Federal courts, river basin compacts; and international treaties regarding water rights and allocation

—resolving land and resource management issues in which a strong Federal interest is evident.

USGS also conducts water resources research and investigations on federally managed lands or Tribal lands—for example, research in Grand Canyon National Park, in preparation for the release of water from Glen Canyon Dam, and evaluation of the effects of the resulting "flood" on habitat restoration within the Park.

Department of Energy (DOE): USGS provides hydrologic expertise to DOE to address environmental and scientific issues at the Nevada Test Site and vicinity, and also works with DOE to evaluate the suitability of Yucca Mountain, Nevada, as a potential repository site for the disposal of high-level radioactive wastes. Investigations include regional studies of streamflow, runoff, and ground-water flow.

Department of Defense (DOD): USGS has a long history of providing technical support to assist DOD in fulfilling its responsibilities related to water issues. For the military agencies of DOD, USGS provides scientific and technical assistance with respect to studies of ground-water contamination problems and ground-water/surface-water interactions on military installations as part of DOD's Installation Restoration Program. Also, data collected from USGS streamgages funded by the U.S. Army Corps of Engineers provide information needed to regulate releases from flood control and water supply reservoirs.

U.S. Environmental Protection Agency (EPA): USGS has a long history of providing technical support to assist EPA in fulfilling its responsibilities related to the Safe Drinking Water Act, the Clean Water Act, the Food Quality Protection Act, and the Superfund program. Current examples include:

—Multi-state surveys of arsenic, radium–224, volatile organic compounds (including the gasoline additive MTBE), and microbial pathogens and indicators in ground water and/or surface water;

—National water-quality data for EPA's National Contaminant Occurrence Database for drinking water;

—A national digital map of ground-water aquifers;

—Simulated yields of nitrogen and phosphorus from every watershed in the contiguous 48 States;

—Linked web pages providing real-time USGS streamflow data to users of EPA's Surf Your Watershed Program;

—Information on the occurrence and characteristics of various pesticides; and

—Investigations, technical advice, and reviews of documents related to Superfund sites.

Funds provided to the USGS by other Federal agencies to address mapping and remote sensing issues totaled $34 million in fiscal year 1997. This funding is expected to be about the same in fiscal year 1998 and fiscal year 1999. Prominent mapping and remote sensing activities for which USGS receives funding from other Federal agencies include the following. Although the information and data vary in format, content, and applicability, all are used in differing contexts to support natural disaster and hazards monitoring, land and resource analyses, mapping applications, resource management, crop studies, and soils evaluations.

Consortium of Federal agencies:

—The USGS administers contracts, manages an imagery archive, and provides program administration to acquire aerial photography of the Nation under the National Aerial Photography Program.

—The USGS administers contracts, performs limited data production, manages a data archive, and provides program administration to acquire digital ortho-imagery of the Nation under the National Digital Orthophoto Program which is jointly overseen with Department of Agriculture agencies. Digital ortho-imagery is produced through reimbursable agreements with a broad spectrum of Federal agencies.

—The USGS gathers and applies multi-temporal and multi-resolution, baseline land characteristics data sets of land cover, elevation, and soils, in integration with other data, to characterize land surface and environmental data, track environmental change, and to forecast impacts of events on land surface characteristics.

National Aeronautics and Space Administration and the Department of Commerce: The USGS administers contracts for and provides storage, preservation,

timely access, and public distribution of global Landsat, Earth Observing System (EOS), MODIS, ASTER, and other satellite data, as well as older, declassified data from intelligence and military systems through the National Satellite Land Remote Sensing Data Archive.

Departments of Agriculture, Defense, and Interior: The USGS administers contracts, performs limited data production, manages a series of data and map archives, and provides public access and distribution of digital elevation data, digital line graphs, topographic maps, and special interest maps and publications.

Agency for International Development and other State Department offices: The USGS provides remotely sensed environmental geospatial data, geographic information systems (GIS) analytical services of land characteristics and topographic data, decision support tools, and training and technology transfer to enable foreign governments to develop and use GIS technologies and geospatial data to solve environmental problems.

National Science Foundation (NSF): USGS provides surveying and topographic mapping services in support of the NSF's mission in the Antarctic.

Question. On what water resource, mapping and remote sensing activities has USGS conducted an A–76 cost comparison?

Answer. The USGS has not conducted an A–76 cost comparison on its mapping and remote sensing activities, because those activities are inherently governmental. Some of these activities have functions that have commercial characteristics, and the USGS has worked closely with Congress to develop a privatization approach for those commercial aspects. Language in the report accompanying the House Interior Appropriations bill for fiscal year 1998 commends the USGS for the efforts made to date to increase contracting of topographic map and digital data production and that current policies and use of the private sector in this area will be continued.

The USGS has not conducted an A–76 cost comparison on its water resources activities because the USGS Water Resources Investigations Activity is inherently governmental. It is the primary source of scientific information on one of the Nation's most important natural resources—water. The Activity fulfills a unique Federal role by providing standardized, objective information for the entire country through long term hydrologic data, interpretive reports, and new analytical methods. Under the authority of OMB Memorandum 92–01, USGS has the primary responsibility for coordinating water data activities in the Federal Government. Because river basins and aquifers cross many jurisdictional boundaries there is great efficiency in having one national agency, USGS, provide standardized regional water information to all interested groups through cost-sharing arrangements.

In addition, because many water issues involve interjurisdictional disputes, it is very important that the data and conclusions be viewed as credible and impartial by all parties involved. This includes adjudication of water rights within a State, among States, or at international boundaries. USGS is accepted as a credible and impartial source by parties involved in disputes. USGS provides standardized information to all, making it unnecessary for each State or locality to create its own infrastructure for data collection, data handling, interpretation, and information dissemination.

Question. Does the USGS use in-house capabilities or private contractors to perform these activities for other agencies? If so, please describe for each of the past three fiscal years, the agencies with which you provide such services, what services you perform for them, the dollar value of your contribution and the cooperators' contribution, and the extent to which private contractors have been utilized in the provision of such services.

Answer. The USGS is transitioning from a previously large Federal work force to increasingly more reliance on the private sector to provide mapping and remote sensing products and services. The USGS work force for mapping and remote sensing has been reduced from 989 in fiscal year 1990 to 396 in fiscal year 1998. Concurrently, funds allocated for mapping and remote sensing contracts have increased from $7.1 million in fiscal year 1990 to $38.9 million in fiscal year 1998. New program activities are developed for performance by the private sector, rather than a Federal work force. In general, attrition in the mapping and remote sensing work force is not replaced, except for the most critical and inherently governmental functions. The current work force is being transitioned to a focus on inherently governmental activities.

Within the overall scope of the water resources investigations activity, USGS uses contractors for certain support functions such as construction and printing.

Question. OMB Circular A–97, governing intergovernmental cooperation, and the Intergovernmental Cooperation Act, limits the use of federal in-house capabilities in providing services to State and local government. It requires a certification that the service cannot be reasonably and expeditiously obtained from the private sector be-

fore a Federal agency may perform the service for the State or local government. How does USGS and/or its cooperators comply with this requirement? What certifications have been made with regard to water resource, mapping and remote sensing activities?

Answer. As authorized by 43 U.S.C. 50, the USGS conducts topographic and water resources investigations in cooperation with States and municipalities. These cooperative programs allow the USGS to share with States and municipalities the cost of work that meets mutual Federal, State, and local governments needs. In these efforts, the USGS is not performing services that are exclusively directed toward the needs of States and municipalities; rather the USGS, the States, and municipalities are sharing the cost of meeting mutual needs. The provisions of 43 U.S.C. 50 limit the share of the USGS to no more than 50 percent of the cost of these mutually advantageous topographic and water resources investigations. No certifications are prepared for these mutual activities.

Question. What activities in water resources, mapping and remote sensing does the USGS currently perform in-house, for its own program or with cooperators, that are considered inherently governmental in nature?

Answer. In the GPRA strategic planning process, USGS categorized its functions into eight business activities described below. All are inherently governmental as determined by:

Circular A–76

5b * * * "Certain functions are inherently Governmental in nature, being so intimately related to the public interest as to mandate performance only by Federal employees

6e(1) * * * management of Government programs requiring value judgments.

Circular A–76 Revised Supplemental Handbook, Appendix 5

5(c) Significantly affect the life, liberty, or property of private persons.

And established by Public Law and codified in 43 U.S.C. Sec. 31a—31f.

Further, a recent study by the National Academy of Public Administration, Geographic Information for the 21st Century Building a Strategy for the Nation, 1998, p. 53, found that the Geographic Information Roles Most Appropriately Provided by the Federal Government are to:

—Ensure geographic information availability to support Federal policymaking and operational responsibilities;

—Ensure that Federal geographic information requirements imposed on State, local, and tribal governments are reasonably attainable and consistent; and

—Help improve geographic information data quality, coverage, and accessibility to benefit an expanding array of users through national standards, a national clearing house, data archiving, and basic geoscience support.

Business activity No. 3.—Geographic and Cartographic Information—however, does include some functions with commercial characteristics which have been increasingly privatized over the past several years in consultation with the Congress. Language in the report accompanying the House Interior Appropriations bill for fiscal year 1998 commends the USGS for the efforts made to date to increase contracting of topographic map and digital data production and that current policies and use of the private sector in this area will be continued.

USGS STRATEGIC PLAN

Business activity	Description	Role of the USGS
Water availability and quality	Manage the Nation's water resources wisely for present and future generations.	Provide reliable, impartial, timely data & understanding of the quantity and quality of the Nation's water resources to enable decision-makers to plan, operate, and regulate the water resources infrastructure of the Nation, and to undertake cost-effective programs to preserve and enhance water quality.
Hazards	Reduce the loss of life and property from natural hazards	Advance our understanding of the fundamental processes that control or trigger hazardous events or situations; lead in developing real-time monitoring and warning systems; and enhance the use of hazards assessments by decision makers, in order to improve disaster response and mitigation planning.
Geographic and cartographic information	Provide maps and map data for the Nation	Acquire, produce, manage, and disseminate geospatial data; cultivate partnerships with other governmental organizations, academia, and the private sector for those activities; provide leadership in establishing national geospatial data policies and standards; and conduct a geographic research and development program focused on interpretation and application of geospatial data.
Contaminated environments	Reduce both environmental contamination and the cost of cleaning up existing contamination.	Identify and define the occurrence and effects of contamination, broaden our basic understanding of contaminant hazards, and provide pertinent information to those concerned with mitigation and prevention.
Land and water use	Improve the land and water use decisions made by the public and private sector.	Provide integrated earth science information about land and water use in support of management and other policy decisions, develop analytical tools for improved decision making, and enhance the understanding of how natural processes at the Earth's surface are affected by changes in climate or land/water use.

Nonrenewable resources	Enhance economic development and growth	Determine the location, quantity, and quality of nonrenewable resources both internationally and domestically; determine the environmental effects of resource extraction and use; and improve assessments of resource potential, making possible the formulation of the best strategies for development of future resource supplies.
Environmental effects on human health	Reduce risks to human health from hazardous chemicals and disease-causing organisms.	Provide information on the occurrence of environmental toxins and pathogens and the factors affecting fate and transport of these agents from their sources to humans.
Biological resources	Conserve and manage the Nation's biological resources for present and future generations.	Provide reliable, impartial and timely data on the status and trends of the Nation's biological resources, to provide an understanding of biological systems, and to assess natural and human induced changes to those systems.

Question. What activities in water resources, mapping and remote sensing does the USGS currently perform in-house, for its own program or with cooperators, that are considered commercial in nature? What plan does the USGS have to contract those activities to the private sector?

Answer. Commercial activities within mapping and remote sensing include map production, map revision, digital data collection, digital data revision, aerial photography acquisition, and satellite data acquisition. With the exception of map revision, all of these activities are contracted to the private sector, either wholly or in large part. A new contract has been developed for fiscal year 1998 to allow for contracting of map revision.

Question. To what extent does the Biological Resources Division have in-house capability in such activities as GIS data production, Remote Sensing Data Production and Photointerpretation production?

Answer. The USGS Biological Resources Division (BRD) has geospatial capabilities related to ongoing research and scientific programs and responsibilities including GIS research activities, remote sensing research activities, and photointerpretation research activities. The geospatial efforts are involved with the research and development of protocols and standards or direction, coordination, administration and quality assurance/quality control of contracted data production. In those cases where the research and scientific programs require the production of data, GIS data and remote sensing, this is being accomplished by contractors through a competitive process. In addition, the BRD relies heavily on outsourcing with State agencies and universities to conduct the data production and interpretation research activities. For example, geospatial efforts for the Gap Analysis Program are conducted by State agencies and universities or through the research centers that have geospatial capability.

Question. What is the nature of the photointerpretation production services the Midcontinent Ecological Science Center is providing the National Park Service and the National Wetlands Research Center is providing photointerpretation paid for by Florida Department of Environmental Protection?

Answer. The National Wetlands Research Center and the Midcontinent Ecological Science Center do not provide photointerpretation production services.

Question. How was the determination made that the private sector could not provide these services?

Answer. As stated above, no determination was necessary because these services are not provided.

Question. Executive Order 12615 requires each Federal agency to "ensure that new Federal Government requirements for commercial activities are provided by private industry, except where statute or national security requires government performance or where private industry costs are unreasonable." Inasmuch as the Biological Resources Division is a new entity (created since Executive Order 12615 was issued on November 19, 1987), all its commercial activities are new and are subject to the aforementioned requirement. How has the BRD complied with this requirement?

Answer. The Biological Resources Division (BRD) of the U.S. Geological Survey would not be subject to the stated requirements as the agency did not promulgate new Federal government requirements for commercial activities. The BRD was formerly the National Biological Survey (later renamed the National Biological Service), which was created in 1994 by consolidating research functions already in existence and residing within the U.S. Fish and Wildlife Service, National Park Service, Minerals Management Service, Bureau of Land Management, Bureau of Reclamation, and Office of Surface Mining. In this merger of research functions, authorizing and enabling legislation remained unchanged, leaving BRD with the same responsibilities that each of the predecessor bureaus had. Further, the BRD does not perform any commercial activities. Further, the BRD is not a new Federal entity.

Question. With specific regard to engineering, mapping and remote sensing-related activities, how has BRD either made a determination of national security or unreasonable private sector costs for such services?

Answer. The BRD has not made such determination. In fact, BRD relies heavily on outsourcing for engineering, mapping, and remote sensing related activities.

QUESTIONS SUBMITTED BY SENATOR CAMPBELL

PILT

Question. With your requests for funds, the Administration is asking for an additional $490.8 million over last year's appropriations, but with the increase I noticed

that there was not an increase in PILT payments for the local counties. Many counties in Colorado are experiencing higher and higher demands on them for the services they provide. What is the justification for not increasing the amount of PILT payments to them with your request of an additional $490.8 million?

Answer. Payments in Lieu of Taxes (PILT) are Federal payments to local governments that may be used for any governmental purpose. The payments provide additional support to local governments that have certain Federal land within their boundaries. Payment eligibility is reserved for local governments (usually counties) that provide services such as those related to public safety, environment, housing, social services, and transportation, and that contain nontaxable Federal lands.

The PILT program is administered by the Bureau of Land Management (BLM). BLM's responsibility is to calculate the payments according to the formula established by law and to distribute the funds appropriated by Congress. Since PILT's inception in 1977, payments have averaged a total of about $102 million annually. To date (including the 1997 payments), over $2 billion in payments has been made. The fiscal year 1999 request is $120 million, the same as the appropriated level for fiscal year 1998. This represents the largest administration request in the history of the PILT program and is $18.5 million over last year's requested level.

The BLM recognizes the value of PILT payments to counties for the services that these funds provide. The request for additional funds in natural resource programs by the administration will also benefit states and counties by improving the quality of lands and resources that in turn help support their economic well being by providing jobs, higher visitation, recreation values, and a sustainable supply of resource products. The BLM is committed to protecting and restoring the Nation's water, wildlife, fisheries, and habitats. Healthy lands will provide economic benefits for the public and private land users alike.

WILDERNESS STUDY AREAS

Question. It has been suggested that the Colorado Environmental Coalition (CEC) was given access to BLM offices to research the proposed re-inventory of roadless areas in Colorado. Their purpose was to recommend certain areas for wilderness designation. Is it true the CEC was given special access to your offices? If so, is it BLM policy to provide access to any interest group for this purpose?

Answer. All materials, including maps, field notes from on-the-ground roadless reviews, and previous resource management planning documents, are public information and available for review at local BLM offices by any interested party.

Question. The BLM completed the Colorado inventory in 1991 and recommended about 400,000 acres of the 800,000 studied for wilderness designation. What authority does the BLM have to re-study these areas? If such areas were found not suitable in 1991, what would make them suitable now?

Answer. Section 201 of FLPMA is the BLM's general authority to conduct all public land inventories, including wilderness inventories. Section 201(a) states: The Secretary shall prepare and maintain *on a continuing basis* an inventory of all public lands and their resource and other values * * * giving priority to areas of critical environmental concern. This inventory *shall be kept current* so as to reflect changes in conditions and to identify new and emerging resource and other values. (italic added).

Section 603 of FLPMA, which provided a 15-year wilderness review and recommendation process, does not limit the BLM's general and continuing authority under Section 201 to conduct inventories of public lands, including wilderness characteristics (the Section 603 process was completed by BLM 1991).

A variety of changes may have occurred "on the ground," since collection of the Colorado inventory data in 1980 for the Section 603 process. Resource conditions are dynamic and physical conditions change. For example, over time existing roads naturally become obliterated with non-use. Additional inventories, in compliance with Section 201, could therefore result in the identification of some additional areas with wilderness characteristics.

Question. There are ongoing oil and gas activities along with mineral exploration in some of these areas. It has been reported that leases were withdrawn upon the request of the CEC when oil companies were prepared to commence with exploration. Is this true? How are the financial commitments that the oil companies paid to the BLM being handled?

Answer. In response to requests to halt oil and gas leasing of tracts within the CEC's proposal, the State Director in 1995 agreed to hold further leasing within these areas in abeyance pending clarification of BLM policy. This informal policy was continued by three subsequent State Directors or Acting State Directors.

In 1996, Assistant Secretary of the Interior Bob Armstrong responded to a letter from Congressman David Skaggs by stating, "The Bureau is concerned about appropriate management of areas which have not been included in its land use plans as wilderness or wilderness study areas but which have been nominated for that status by various interested parties." The letter further stated that the Colorado State Director agreed to hold in abeyance leasing within the areas proposed by the Colorado Environmental Coalition, pending clarification of the Bureau's policy on this issue.

In 1996, Marathon Oil field filed a lawsuit and an appeal with the Interior Board of Land Appeals (IBLA) claiming harm from the withdrawal. The lawsuit was subsequently dismissed by the District Court, citing the Department's discretionary authority for leasing. An appeal by Marathon to the Circuit Court is pending. The IBLA also ruled in favor of BLM, but directed that a site specific analysis be conducted for tracts that are not offered in a lease sale when they have been appropriately nominated, and the tracts are in areas open to leasing under current land use planning. The tracks in question were withdrawn from the lease sale and no financial commitment was paid to the BLM by Marathon Oil.

Question. All of the CEC proposed areas have management plans that allow for multiple use (livestock grazing, recreation, oil and gas production). Is it the intent of the BLM to continue the management plans in these areas currently?

Answer. Six of the areas proposed in the CEC's report have been reviewed to determine if they meet the definition of roadless used in the 1980 wilderness inventory. Parts of each of the six areas were found to be roadless. The parts that did not meet the roadless definition are being managed according to existing plans. For the areas that are roadless, BLM asked for public comments on the adequacy of the plans to manage the areas. The recently closed public comment period resulted in nearly 2,000 comments received by BLM; over 1,200 supported additional land use planning to consider additional protection. A decision is expected in June regarding which, if any, of the six areas will be subject to plan amendments. No changes in management can be made without amending the current plans. Plan amendments take approximately one year to complete.

For other CEC proposed areas, the BLM Colorado has adopted a policy to hold discretionary actions that might have irreversible or irretrievable impacts temporarily in abeyance until the wilderness issues raised by the CEC are addressed and resolved through the BLM planning process.

Question. Does the BLM have plans to re-study or review additional areas for wilderness designation? If so, which ones?

Answer. In Colorado, we are currently involved in a wilderness inventory limited to six areas totaling fewer than 200,000 acres. The Colorado inventory process includes many opportunities for public comment. When the public comment period closes in April, decisions will be made as to whether or not land use plans should be amended.

The Colorado State Office has identified a few additional areas totaling less that 100,000 acres that may require wilderness inventory. We do not anticipate completing a state wide inventory in Colorado.

Question. What is the long term strategy for management on BLM lands? In other words, can we expect to have more review or is there some certainty that this is the last effort to designate more wilderness or will this be an ongoing process?

Answer. Since completion of the Section 603 wilderness review process in 1991, the BLM has been complying with FLPMA's mandate under Section 201 to "prepare and maintain on a continuing basis an inventory of all public lands and their resource and other values" (emphasis added). The BLM has conducted wilderness inventories under the authority of Section 201, as needed, in at least seven states. These Section 201 inventories have resulted in identification of some areas with wilderness characteristics and other areas without. Congress has included some of the areas inventoried under Section 201 in proposed wilderness legislation and has designated some of these areas as wilderness.

The BLM will continue to comply with Section 201 of FLPMA. As resource conditions change, BLM will address those issues in an ongoing, case-by-case basis.

SAND CREEK

On March 24 the Senate Energy Subcommittee on National Parks and Preservation held a hearing on S. 1695, the Sand Creek Massacre Site Historic Preservation Bill.

During that hearing, Ms. Katherine Stevenson, of the National Park Service, characterized S. 1695 as "extremely worthy." She also recommended that the Senate require "the National Park Service to conduct a study to confirm the exact location of the massacre" site.

Question. Do you agree with Ms. Stevenson's assessment of the merits of S. 1695?

Answer. Ms. Stevenson's testimony was on behalf of the Department.

Question. What can the Park Service do to get the site study underway and concluded quickly, even this year?

Answer. The National Park Service has reviewed files on Sand Creek, identified employees and others who possess particular expertise or have experience relevant to a Sand Creek study, begun consultation and collaboration with the Cheyenne/Arapaho Tribe, established close communication and cooperation with the Colorado Historical Society (which has for some time been engaged in its own project to locate the site), and is developing plans, strategies, and cost estimates to carry out the very formidable task of locating the site. The NPS will do all that it can within the present funding levels, but there is no possibility of concluding the study this year.

If funds were appropriated, though they are not requested, and if cooperation were gained from landowners in allowing access to their properties, the NPS believes the site might be identified with one to two years of work. A sound study of the resources and possible preservation and management alternatives could be completed within three years. In the meantime, the National Park Service will do what is possible—especially in cooperation with the study the Colorado Historical Society has under way.

Question. Are you committed to this course of action?

Answer. The National Park Service is not only committed to the course of action just described, it is doing all that it can within funds and authorization available at present.

While the exact location of the Sand Creek Massacre Site has been questioned by some, we know this sacred site is out there and deserves to be preserved with dignity. I am quite confident that the National Park Service, with its capable staff of historians and archeologists, will be able to locate the exact site on the banks of Sand Creek. After all, Park Service personnel have already started the process by conducting research at Sand Creek.

Question. Are you committed to locating this important historical site once and for all?

Answer. The NPS is deeply interested in locating this important historic site and will consider this during the formulation of the fiscal year 2000 budget request.

Question. Once we find it, to acquire it, and then preserve it for the Cheyenne, Arapahoe and American people?

Answer. The National Park Service testified that it believes it is likely that the correct site can be located, and that there is reason for optimism that the site would possess the necessary degree of historical integrity and be suitable and feasible for park purposes, but NPS cannot with certainty assure that outcome. Once those things have all been established, however, it would still require an Act of Congress to authorize the National Park Service to acquire and preserve the site for the Cheyenne, Arapaho, and American people.

Question. What resources, especially on-hand expertise, does the Park Service currently have that enables it to continue the process of locating the Sand Creek site through the rest of this year?

Answer. NPS has historians, archeologists, ethnographers, tribal cultural heritage staffs, planners, cartographers, geographic information systems staffs, remote sensing experts, data systems experts, and Native American Liaison experts, and others who might play certain roles. NPS has identified most of the individuals whom could best do their parts of the total job. However, the work will be limited as other priorities are utilizing available resources.

SUBCOMMITTEE RECESS

Senator DOMENICI. I thank you very much. The subcommittee will stand in recess until 9:30 a.m., Tuesday, April 21, when we will receive testimony from the Bureau of Indian Affairs and the General Accounting Office.

[Whereupon, at 11:18 a.m., Wednesday, April 1, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, April 21.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1999

TUESDAY, APRIL 21, 1998

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

The subcommittee met at 10:26 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Stevens, Domenici, Burns, and Dorgan.

GENERAL ACCOUNTING OFFICE

STATEMENT OF VICTOR S. REZENDES, DIRECTOR, ENERGY, RESOURCES, AND SCIENCE ISSUES

ACCOMPANIED BY:

SUE NAIBERK, ASSISTANT DIRECTOR, ENERGY, RESOURCES, AND SCIENCE ISSUES

JENNIFER DUNCAN, EVALUATOR

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

STATEMENT OF KEVIN GOVER, ASSISTANT SECRETARY FOR INDIAN AFFAIRS

ACCOMPANIED BY:

HILDA MANUEL, DEPUTY COMMISSIONER FOR INDIAN AFFAIRS

JOANN SEBASTIAN MORRIS, DIRECTOR, OFFICE OF INDIAN EDUCATION

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS [presiding]. I do apologize. I have had a series of problems this morning trying to get supplemental appropriations off the dead center. The subcommittee chairman is on the floor with amendments on the ocean bill.

We do have a scheduled hearing here for the 1999 budget request and I am notified that all other members of the subcommittee are either in other committees or on the floor.

I want to welcome Kevin Gover for your first hearing, Mr. Gover, as Assistant Secretary of Indian Affairs. We are very delighted to hear that you will be visiting Alaska in May and I hope to have a chance to visit with you while you are there, too.

Senator Gorton invited the General Accounting Office to provide testimony on the work it has done at his and my request with respect to the Bureau's tribal priority allocation system. The GAO asked if it could testify first and Senator Gorton agreed to that request. I expect there will be some questions for GAO after they finish and I hope our colleagues who are on the floor will be here by that time.

I will have additional questions from Senator Gorton. He said to me just as I left the floor that he, too, would try to join the subcommittee sometime before we end this hearing this morning.

After we have had an opportunity to ask the GAO some questions on TPA, we will then go to testimony of Secretary Gover and his colleagues from BIA. Although the GAO asked to testify first, I do ask that you remain, at least some of you, during the presentation of the BIA, if that is possible, because we might have some additional questions after the BIA testimony to ask the GAO witnesses.

Senator Gorton made some comments when Secretary Babbitt was here 3 weeks ago, that I should repeat now. This year, the overall amount of discretionary spending available to the Appropriations Committee will not increase as it did in fiscal year 1998. In fact, the total amount of nondefense discretionary funding available for the entire appropriations bill is less than a freeze, less than the amount of money we had last year taking into account the inflation figures.

The President has not lived up to the spending caps in his budget because there are special funds and new revenue streams that are proposed, which we know will not be approved by Congress. As a matter of fact, they were requested by President Bush and they were not approved then.

Some of the discretionary spending accounts have been reclassified as mandatory and Congress will not agree to that.

By virtue of these disagreements, the President's requests for programs under the jurisdiction of this subcommittee have to deal with about a $1 billion increase, as compared to the 1998 level.

Now the program within the Bureau of Indian Affairs is slated to receive $142 million of the increase that was in that $1 billion. As Senator Gorton told Secretary Babbitt, that was wishful thinking. And as chairman, I can back up what the Senator says. We just do not have that money to allocate because revenue streams will not be there.

I hope that we can, however, deal with this problem of the allocation for the subcommittee so that it will not be less than it was in this current fiscal year.

We are in a tough situation. I think anybody who knows and has looked at this budget will realize there is going to be a tremendous collision here in the Congress with the administration before September.

But I am concerned about the pressing needs for the Indian Health Service. It is, by the way, the only major agency in the bill that did not receive an increase even under the President's budget request.

There are some problems in Medicare and Medicaid reimbursement for the Indian Health Service that add to the difficulties of this subcommittee bill and we will get into that later.

We also have another problem with this bill and that is the proposal to sell oil for the strategic petroleum reserve at a time when prices are so low. We just are not justified in doing that and, under those circumstances, we have to find money to make up for the loss of that money that would have come into this budget.

CBO tells us that they do not agree with the estimates that have been given to us by the OMB and that, too, is going to lead to some severe difficulty with this bill.

I am really restating what Senator Gorton said before, when the Secretary was here, for the benefit of those witnesses who may not have heard that exchange. We do ask the BIA to reevaluate its budget request and to work with Senator Gorton and the subcommittee staff over the next few weeks and months to determine what are the real priorities for the BIA. And if we don't get an agreement on that, I think that is just another battle that is going to go on even before we get into battle with the House over this bill.

There is a whole series of battles—a battle within this subcommittee itself, then with the House, then with CBO, and then with the administration. I really don't see a very easy path for this bill this year, and this used to be one of the bills that we could deal with and be reassured that we would have support for the agencies involved.

PREPARED STATEMENT

As one who spent 5 years in Interior, I really find it very hard to understand how this whole area of this budget has literally come apart. I think that is why Senator Gorton invited the GAO to testify today, because we want to know what the GAO's opinion is with regard to the fairest method for distributing BIA tribal priority allocations. This accounts for half of the Bureau's operating budget and it is best that we get to it and find out what they have to say.

I will put the rest of Senator Gorton's statement in the record here at this time.

[The statement follows:]

PREPARED STATEMENT OF SENATOR GORTON

Good morning. The subcommittee meets today for the third of its hearings on the 1999 budget requests for agencies funded by the Subcommittee on Interior and Related Agencies.

This morning we will hear testimony regarding the 1999 budget request for the Bureau of Indian Affairs. I want to welcome Kevin Gover to his first hearing before this subcommittee as the Assistant Secretary for Indian Affairs.

Before the Bureau presents its testimony, however, I have invited the General Accounting Office to testify on the work it has been doing at my request, and that of Senator Stevens, with respect to the Bureau's Tribal Priority Allocations system. The GAO asked if it could testify first, and I agreed to the request. I expect I will have some questions for the GAO after they finish, and I hope that my colleagues will, also.

Following the GAO, I ask that the witnesses switch with the BIA, which has several people on hand to deal with specific issues. I would ask the GAO to remain for the duration of the hearing, if their schedules permit. Members of the sub-

committee may have additional questions for the GAO regarding their findings following the BIA's testimony.

Before we begin, though, let me repeat the remarks that I made when Secretary Babbitt testified before this subcommittee three weeks ago. This year the overall amount of discretionary spending available to the Appropriations Committee will not increase like it did in fiscal year 1998. In fact, the total amount of non-defense discretionary funding available for the entire Appropriations Committee is less than a freeze.

The President dodged the statutory spending caps in his budget by establishing special funds, proposing new revenue streams, and reclassifying certain discretionary spending as mandatory. By virtue of these bookkeeping maneuvers, the President's request graces programs under the jurisdiction of this subcommittee with a $1 billion increase over the comparable 1998 level. Programs within the Bureau of Indian Affairs are slated to receive $142 million of this increase. Regrettably, as I told Secretary Babbitt, all of this is wishful thinking.

Though I hope to persuade Senator Stevens to provide this subcommittee with an allocation that is better than a freeze, there is no chance that we will receive a $1 billion increase—or anything close to it. What's more, there is competition for any increase that we do receive. I am concerned about the pressing needs of the Indian Health Service, which is, inexplicably, the only major agency in this bill that did not receive a significant increase in the President's budget request. I note that the Administration has justified this, in part, by doubling the estimates of medicare and medicaid reimbursements made by the Indian Health Service itself. In addition, if we do not sell oil from the Strategic Petroleum Reserve—and there is little sentiment to do so with oil prices so low—we will need to find $160 million that was not in our base last year. The Congressional Budget Office tells us that they do not agree with other fanciful score keeping estimates in the budget request that will cost us tens of millions of dollars.

I am stating this as much for my colleagues' benefit as for the agency. Just as I will plead with them to be reasonable in their requests of me, so will I ask the Bureau to reevaluate its budget request, and work with me and my staff over the next few months to determine the real priorities of the Bureau of Indian Affairs. We need your cooperation in this process.

On a final note to help explain why I invited the GAO to testify today, it is my hope that what the GAO shares with the subcommittee today will contribute to devising a new, fair, method for distributing BIA Tribal Priority Allocations. TPA alone accounts for nearly half of the Bureau's operating budget today. Right now, TPA dollars are distributed based on historical distributions, with no consideration of a tribe's ability to finance these services from other funds. And each year, the sophisticated tribes with the best lobbying efforts request that more and more of BIA operations money be transferred into the TPA function. Until and unless we can develop a method for distributing these monies better, I hesitate to even consider the $33.8 million increase requested this year.

With that, I invite the witnesses from the GAO to identify themselves and then proceed with their testimony.

INTRODUCTION OF ASSOCIATES

Senator STEVENS. Senator Byrd will not be here. But we will obviously submit the questions that he may have to offer at a later time.

Now it is my understanding, Mr. Rezendes, that we will hear from you. Would you please come up to the witness table and whoever else is with you.

Mr. REZENDES. Thank you, Mr. Chairman.

Let me introduce my colleagues here. On my left is Sue Naiberk, our Assistant Director, and on my right is Jennifer Duncan, who is the evaluator responsible for a good part of this work.

Senator STEVENS. What was the first name, please?

Mr. REZENDES. We have here Jennifer Duncan (indicating) and here (indicating) is Sue Naiberk.

Senator STEVENS. Duncan and Naiberk. Thank you. I did not hear the first name.

SUMMARY STATEMENT OF VICTOR S. REZENDES

Mr. REZENDES. Sorry.

As you know, these are preliminary observations on the work that we have done for you and Senator Gorton on the TPA account. As you know, those funds represent the largest portion of BIA's appropriation, about 45 percent of the $1.7 billion.

To put that in perspective, TPA represents about 10 percent of the $7.5 billion that the Federal Government spends on Indian programs.

In summary, we found that two-thirds of the $757 million in TPA funds were distributed primarily on the basis of historical levels and tribes may shift these base funds among activities according to their needs. For example, a tribe needing more funds for law enforcement than for education may move these funds to meet those needs. The remaining one-third is known as nonbase funds and are used for such activities as road maintenance and housing, and are generally distributed under a more specific formula.

Average TPA distributions varied widely. On a per capita basis, those ranges went from $121 per tribal member in BIA's Muskogee area to over $1,000 in the Portland area.

Let me emphasize that this analysis is only for information purposes. BIA does not distribute these funds on a per capita basis nor do they recommend that those funds be distributed that way.

According to Interior—and I am sure that they will talk to you about that as well—they think that there are reasons for the differences and that the basic numbers on populations are not reliable.

In addition, as you know, non-Federal entities, including Indian tribes, meeting certain financial assistance thresholds must submit audited financial statements annually under the Single Audit Act. We reviewed all of the statements most recently filed by the tribes. While some reported only their Federal revenues, others included revenues from State, local, and private sources.

In total, the statements reported that these tribes received more than $3.6 billion in revenues. These revenues include such things as taxes and fees, lease and investment income, and funds received through Government grants and contracts. Some tribes also reported income from their businesses. Ninety-eight tribes reported about $1.2 billion in operating profits and another 70 tribes reported operating losses of about $50 million.

However, the quality of the data submitted varies. Only half of the statements received unqualified audit opinions. The remaining statements had various degrees of deficiencies.

Mr. Chairman, you also asked us to look at some options in terms of additional information that might be useful to the Congress in deciding whether TPA funds should be distributed on a different formula or whether business revenues should be included in there.

PREPARED STATEMENT

Some of the issues or some of the additional information we think might be helpful is financial information for all tribes, including those tribes submitting reports under the Single Audit Act,

more complete information on the financial resources available to tribes from tribal businesses, including gaming, and, finally, more reliable data on tribes' financial positions.

As you know, Mr. Chairman, there are several impediments to getting this information. It won't be easy.

With that, I will stop and maybe we can go into some questions.

[The statement follows:]

PREPARED STATEMENT OF VICTOR S. REZENDES

Mr. Chairman and Members of the Subcommittee: I am pleased to be here today to discuss the preliminary results of our review of the Bureau of Indian Affairs' (BIA) distribution of Tribal Priority Allocation—or TPA—funds. BIA began efforts that evolved into TPA in the early 1970's as a way to pursue Indian self-determination by giving tribes the opportunity to set priorities and allocate funds for those activities they wanted to fund, in consultation with BIA. We are conducting this review at your and Chairman Stevens' request, and we will issue our report on TPA-funds distribution by June 1. Today I will discuss (1) BIA's basis for distributing 1998 TPA funds; (2) total distributions of TPA funds in fiscal year 1998 and a per capita analysis of those distributions; (3) revenue and business income information reported by tribes under the Single Audit Act; and (4) what additional revenue and income information might be useful to the Congress in deciding whether to distribute TPA funds considering the total financial resources available to tribes, including possible barriers to collecting this information.

As of October 1997, 556 tribes had been recognized by the federal government and are eligible to receive financial assistance through BIA. Each of these tribes may receive funds for activities such as law enforcement, social services, adult vocational training, child welfare, and natural resource management through TPA; specific activities and priorities may vary from year to year. BIA provides TPA funds to tribes either by funding tribally operated activities or through services provided by BIA.[1] TPA funds are also used to support some of BIA's management and administrative costs.

TPA funds are the largest portion of BIA's direct appropriation in fiscal year 1998, representing 45 percent—or $757 million—of the $1.7 billion total. To put this in perspective, TPA represents 10 percent of the $7.5 billion in federal funding that the Office of Management and Budget reports was appropriated for Indian programs in 1998. This funding was for a wide variety of programs, such as food distribution and rural business opportunity grants through the Department of Agriculture, environmental restoration through the Army Corps of Engineers, and library services through the Department of Education.

In summary, we found:

—Two-thirds of the 1998 TPA funds were distributed primarily on the basis of historical levels, and tribes may shift these "base" funds among TPA activities according to their needs. For example, a tribe needing more funds for law enforcement than for adult vocational education may move funds to meet those needs. The remaining one-third, known as "non-base" funds, are used for such activities as road maintenance and housing improvement and were generally distributed on the basis of specific formulas.

—In total, 95 percent of the TPA funds appropriated in fiscal year 1998 have been distributed. Average TPA distributions varied widely among BIA's 12 area offices when analyzed and compared on a per capita basis; the per capita averages ranged from $121 per tribal member within BIA's Muskogee area to $1,020 per tribal member within BIA's Portland area. Mr. Chairman, let me emphasize that we present this analysis for your information only—BIA does not distribute TPA funds on a per-capita basis, nor does BIA recommend that such a distribution method be used. According to Interior officials, there are reasons for differences in TPA distributions, and they do not consider the population estimates to be reliable. Appendix I contains additional information on total TPA distributions by area office and a per capita analysis of these distributions.

—Nonfederal entities—including tribes—meeting certain federal assistance thresholds (those receiving $100,000 or more in federal funds before 1997, and those expending $300,000 or more in 1997 or later) must submit audited financial statements annually under the Single Audit Act. We reviewed all 326 finan-

[1] For the purposes of this report, subsequent references to "tribes" that receive TPA funds also include BIA offices that receive TPA funds on the tribes' behalf.

cial statements on file with the Department of the Interior that were most recently submitted by tribes; the statements generally covered fiscal years 1995 or 1996.[2] While some tribes reported only their federal revenues, others included revenues from state, local, and private sources. In total, the statements reported that these tribes received more than $3.6 billion in revenues during the years covered by them. These revenues included such things as taxes and fees, lease and investment income, and funds received through governmental grants and contracts. Some tribes also reported income from their businesses for the periods covered by the statements: 98 reported about $1.2 billion in operating profits, and another 70 reported operating losses of about $50 million. However, the quality of the information reported in the statements varied; only about half of the statements received "unqualified" opinions from auditors, while the others were deficient to varying degrees.[3]

—In deciding whether to consider tribal revenues or business income in distributing TPA funds, information that might be useful to the Congress could include more complete and reliable financial information for all tribes. However, there are several impediments to obtaining this information. For example, under the Single Audit Act, financial statements must be submitted only by those nonfederal entities (including tribes) expending at least $300,000 of federal funds in a year and may not include income from tribes' businesses.

BACKGROUND

In the early 1970's, BIA began giving tribes more training, involvement, and influence in BIA's budget process, in efforts that evolved into TPA.[4] At that time, according to BIA officials, few tribes were experienced in budgeting or contracting, and most depended on BIA for services. Over the years, tribes have become more experienced and sophisticated in TPA budgeting, are more involved in directly contracting and managing their TPA activities, and have more flexibility in shifting funds between activities within TPA. Since 1991, through amendments to the Indian Self-Determination and Education Assistance Act, 206 tribes have entered into self-governance agreements with the federal government. Under the terms of these agreements, the tribes assume primary responsibility for planning, conducting, and administering programs and services—including those activities funded under TPA.

BIA'S BASIS FOR DISTRIBUTING TPA FUNDS

Of the $757 million in TPA funds that the Congress appropriated in fiscal year 1998, about $507 million was for base funding, and about $250 million was for nonbase funding. Base funding was distributed in three components: $468 million generally on the basis of historical funding levels, $16 million to supplement funding for "small and needy" tribes, and $23 million in a general funding increase.

According to Interior officials, how TPA base funds for tribes were initially determined is not clearly documented, and adjustments may have been made over time in consideration of specific tribal circumstances. While most increases in the TPA budget prior to the 1990s resulted from congressional appropriations for specific tribes, subsequent increases have generally been distributed on a pro rata basis. The $468 million in base funds may be used by tribes for such activities as law enforcement, social services, and adult vocational training. Tribes may move these funds from one TPA activity to another.

In 1998, the Congress appropriated TPA funds for BIA to supplement historical distribution levels for "small and needy" tribes; as a result, $16 million in additional base funds was distributed to 292 tribes. The designation "small and needy" was developed by the Joint Tribal/BIA/DOI Advisory Task Force on Bureau of Indian Affairs Reorganization in 1994.[5] The task force recommended that tribes with service populations of less than 1,500 have available minimum levels of TPA base funds—$160,000 in the lower 48 states and $200,000 in Alaska—to allow them to develop

---

[2] Appendix II provides additional details of our scope and methodology.

[3] An unqualified opinion on the financial statements generally means that the auditor concludes the financial statements and accompanying notes present fairly, in all material respects, the assets, liabilities, and net position of the entity at the end of the period; and the net costs, changes in net position, and csh flows for the period are in conformity with the entity's basis of accounting or generally accepted accounting principals.

[4] See Tribal Participation in the Bureau of Indian Affairs Budget System Should Be Increased (GAO/CED–78–62, Feb. 15, 1978) and Indian Programs: Tribal Influence in Formulating Budget Priorities Is Limited (GAO/RCED–91–20, Feb. 7, 1991).

[5] The Tribal Budget System: Preliminary Assessment of Most Needy Small Tribes, Joint Tribal/BIA/DOI Advisory Task Force on Bureau of Indian Affairs Reorganization (Apr. 1994).

basic self-government capacity.[6] Because some small tribes were receiving less than $160,000, the Congress directed BIA to supplement TPA base funds with the 1998 distribution so that each of these tribes would receive $160,000. For fiscal year 1999, BIA has requested an additional $3 million to move the "small and needy" tribes in Alaska closer to the task force-recommended minimum funding level of $200,000.

The $23 million general increase in base funds was evenly distributed among BIA's 12 area offices, as recommended in January 1998 by a special task force assembled under the 1998 Interior Appropriation bill. Each equal portion was subsequently distributed to tribes and BIA offices according to various considerations. For example, the tribes in BIA's Sacramento area each received an equal share of the area office's $1.95 million allocation. The tribes in BIA's Juneau area each received $4,000, and the remainder was distributed on the basis of population and TPA base funding levels.

The remaining $250 million is non-base funds and is generally distributed according to specific formulas that consider tribal needs. In general, tribes may not shift these funds to other activities without special authorization. Road maintenance, housing improvement, welfare assistance, and contract support are all included in this category. For example, road maintenance funds are distributed to BIA's area offices based on factors such as the number of miles and types of roads within each area. Housing improvement funds are distributed to area offices on the basis of an inventory of housing needs that includes such things as the number of units in substandard condition and the number of units needing renovation or replacement.

DISTRIBUTION OF FISCAL YEAR 1998 TPA FUNDS AND PER CAPITA ANALYSIS

As of March 1998, 95 percent of the $757 million in TPA funds had been distributed among the tribes and BIA offices. Our per capita analysis shows that the distributions ranged from a low of $121 per tribal member within BIA's Muskogee area to a high of $1,020 within the Portland area. However, according to Interior officials, there are reasons for the differences in TPA distributions and the differences should not all be perceived as inequities. For example, BIA is required to fund law enforcement and detention in states that do not have jurisdiction over crimes occurring on Indian lands, so tribes located in those states may receive more TPA funds for these purposes than tribes located in other states. Similarly, BIA has a trust responsibility for natural resources on reservations, so tribes that have large land bases may receive more TPA funds for this purpose than tribes with small land bases. Furthermore, tribes with self-governance agreements may include funds in their TPA base amount that are not included for tribes without self-governance agreements. BIA officials also noted that they do not consider the service population figures, which are estimated by tribes, to be reliable—although they did not offer other figures that they believed to be more accurate. They also noted that TPA funds are distributed to tribes, rather than individuals, and that a lower per capita figure may reflect that tribes in one area have larger memberships but smaller land bases than tribes in another area. Appendix I presents the distributions and per capita analyses for BIA's area offices.

The remaining 5 percent of TPA funds not distributed to tribes includes $30 million, primarily for welfare assistance and contract support, that will be distributed later in the fiscal year on the basis of tribal need. While most of the contract support and welfare assistance funds are distributed on the basis of the prior year's expenditures, between 15 and 25 percent is withheld until later in each fiscal year, when tribes' actual needs are better known. An additional $9 million not distributed to tribes is for other uses, including education funding to non-tribal entities (such as states and public schools) and payments for employees displaced as a result of tribal contracting.

REVENUES AND INCOME REPORTED UNDER THE SINGLE AUDIT ACT

Nonfederal entities—including tribes—meeting the federal assistance thresholds for reporting under the Single Audit Act (those receiving at least $100,000 in federal funds before 1997 and those expending at least $300,000 in 1997 or later) must submit an audited general-purpose financial statement and a statement of federal financial assistance.[7] We examined all 326 financial statements on file with Interior

---

[6] "Service population" refers to the numbers of Indians eligible to receive services from BIA.

[7] The Single Audit Act is intended, among other things, to establish uniform requirements for audits of federally awarded contracts or assistance administered by no federal entities, including state and local governments, nonprofit organizations, and Indian tribes. Prior to fiscal year 1997, such entities receiving $100,000 or more in Federal assistance annually were required to

that were most recently submitted by tribes; these statements generally covered fiscal years 1995 or 1996.

The tribes' financial statements varied in the type and amount of information reported. While some statements included only federal revenues, others also included revenues from state, local, and private sources; some included financial information only for tribal departments that expended federal funds, while others provided more complete reporting on their financial positions. In total, the statements reported that these tribes received more than $3.6 billion in revenues during the years covered by them. These revenues included such things as taxes and fees, lease and investment income, and funds received through governmental grants and contracts.

About half of the financial statements we examined also included some information on tribal businesses. Tribal businesses include, for example, gaming operations, smokeshops or convenience stores, construction companies, and development of natural resources such as minerals or timber. The tribes that reported the results of their businesses had operating income totaling over $1.1 billion. Not all of these tribes reported a profit, however—about 40 percent reported operating losses totaling about $50 million.

The reliability of the general-purpose financial statements we reviewed varied. Of the 326 we reviewed, 165—or about half—of the statements were certified by independent auditors as fairly presenting the financial position of the reporting entity and received "unqualified" auditors' opinions. However, auditors noted that 38 of the "unqualified" statements were limited to certain funds and were not intended to represent the financial position of the tribe as a whole. The independent auditors' opinions for the remaining financial statements indicated that the statements were deficient to varying degrees.

Tribes with gaming operations are required under the Indian Gaming Regulatory Act to submit annual financial reports to the National Indian Gaming Commission. In 1997, we reported that 126 tribes with class II and class III gaming operations (which include bingo, pull-tabs, slot machines, and other casino games) reported a total of about $1.9 billion in net income from their gaming operations in 1995.[8] About 90 percent of the gaming facilities included in that report generated net income, and about 10 percent generated net losses. Because the financial statements we examined covered different fiscal years and did not always include gaming revenues, we did not attempt to reconcile them to information reported to the Gaming Commission.

ADDITIONAL TRIBAL REVENUE INFORMATION THAT COULD BE USEFUL AND BARRIERS TO COLLECTING THIS INFORMATION

In deciding whether to consider tribal revenues or business income in order to determine the amount of TPA funds tribes should receive, information that might be useful to the Congress could include (1) financial information for all tribes, including those tribes not submitting reports under the Single Audit Act; (2) more complete information on the financial resources available to tribes from tribal businesses, including gaming; and (3) more reliable data on tribes' financial positions. However, there are several impediments to obtaining this information.

For fiscal year 1997 and later, nonfederal entities (including tribes) expending less than $300,000 in federal funds are not covered by the Single Audit Act. Tribes reporting under the act do not have to report financial information for their tribal businesses if those businesses do not receive, manage, or expend federal funds. Interior officials also noted that under the terms of the Alaska Native Claims Settlement Act, Congress established for-profit native corporations as separate legal entities from the non-profit arms that receive federal financial assistance; for this reason, financial information on the for-profit arms would not be reported under the Single Audit Act.

Further, financial information submitted by Alaskan villages that have formed an association or consortium or operate under self-governance agreements reflect only the operations of the umbrella organization and do not provide information regarding the separate tribal governments. Interior officials further noted that some tribes that meet the reporting threshold of the act have not submitted financial statements annually as required, or have not submitted them in a timely manner, and that BIA has few sanctions to encourage these tribes to improve their reporting.

---

have an audit for that year. The 1996 Single Audit Act amendments changed the reporting threshold: Beginning in fiscal year 1997, entities with annual expenditures of $300,000 or more in Federal funds are required to have an audit for that year.

[8] Tax Policy: A Profile of the Indian Gaming Industry (GAO/GGD–97–91, May 5, 1997).

Finally, the financial statements we examined included a range of auditors' opinions, and the reliability of the information in the statements varied.

Mr. Chairman, this concludes my prepared statement. I will be pleased to respond to any questions that you or Members of the Subcommittee may have.

APPENDIX I—DISTRIBUTION OF FISCAL YEAR 1998 TPA FUNDS AS OF MARCH 25, 1998

BIA area	TPA funds	BIA service population [1]	Per-capita analysis
Aberdeen	$76,099,497	128,412	$593
Albuquerque	41,797,628	59,598	701
Anadarko	24,105,317	45,535	529
Billings	40,783,297	42,427	961
Eastern	37,161,454	50,272	739
Juneau	80,523,960	85,259	944
Minneapolis	48,483,202	76,883	631
Muskogee	34,514,007	284,740	121
Navajo	100,098,796	225,668	444
Phoenix	89,480,881	100,854	887
Portland	106,977,145	104,841	1,020
Sacramento	38,263,720	55,717	687
Distributed subtotal	718,288,904	1,260,206	[3] 570
Not distributed [2]	39,059,096	NA	NA
Total	757,348,000	1,260,206	[3] 601

[1] Service population is the number of Indians eligible to receive services from BIA as of 1995, which were the most recent data available. Source: Indian Service Population and Labor Force Estimates (BIA, 1995).

[2] These include TPA funds for other BIA offices or non-tribal entities (e.g., funds for BIA's Central Office, funds for employees displaced due to tribal contracting, and education funds for non-tribal entities), as well as funds that will be but have not yet been distributed to tribes or area/agency offices (e.g., funds for contract support and welfare assistance).

[3] Per-capita figures were calculated by dividing the subtotal and total TPA funds by the total BIA service population.

Source: GAO analysis based on BIA-provided data.

APPENDIX II—SCOPE AND METHODOLOGY

We obtained information about (1) BIA's bases for distributing 1998 TPA funds; (2) distributions of TPA funds in fiscal year 1998; (3) revenue and business income reported by tribes under the Single Audit Act; and (4) additional revenue and income information that might be useful to the Congress in deciding whether to distribute TPA funds considering total financial resources available to tribes. We contacted officials with the Department of the Interior's Bureau of Indian Affairs, Office of Audit and Evaluation, and Office of Self-Governance in Washington, D.C., and its Office of Audit and Evaluation in Lakewood, Colorado. We analyzed distribution data provided by BIA and Office of Self-Governance officials to determine specific amounts distributed to area offices and tribes in fiscal year 1998. We did not independently verify the distribution or population data.

At Interior's Office of Audit and Evaluation in Washington, D.C. and Lakewood, Colorado, we examined all 326 of the most recent financial statements on file that were submitted under the Single Audit Act by tribes, tribal associations, and tribal enterprises. We excluded statements for some entities, such as tribal housing authorities and community colleges, because they are financially separate from the tribes. Of the 326 financial statements, 290 were for federally recognized tribes, 20 were for tribal businesses or components of tribes, 14 were for consortia or associations representing over 170 individual tribes, and 2 were for tribes not federally recognized. From each of the financial statements we examined, we obtained information about the independent auditor's opinion, revenues for all fund types reported, and operating income for tribes that included tribal business information in their statements.

We performed our review from November 1997 through April 1998 in accordance with generally accepted government auditing standards.

IMPEDIMENTS TO GETTING INFORMATION

Senator STEVENS. Tell me the impediments you see to getting the information we need.

Mr. REZENDES. There are a number of them. One is under the Single Audit Act, tribes are only required to submit an audited financial statement when they have expended $300,000 worth of Federal assistance. Tribes that expend less than that would not be covered in the audits and that information would not be coming forward.

Senator STEVENS. Will you deal with that in your final report in terms of recommendations?

Mr. REZENDES. We will talk about it and we will talk about more of the impediments and what that means, as well as what could be done about that. It seems to me, if you are really interested in getting this, the easiest way to do it, as the Federal Government does acquire information routinely from the private sector that they are not authorized to receive, they usually get that as a precondition of either a grant or a contract. Making that sort of information as a precondition to receiving funds might make this more palatable or might make it more workable, I should say. ''Palatable'' is probably going to be a totally different story.

Senator STEVENS. Do you have enough information yet to determine whether or not the current distribution method for TPA is fair. Does meet the needs of the individual tribes?

Mr. REZENDES. We don't know that yet.

Basically, the other component that is missing here is, basically, what is the Federal obligation to the tribes either under law or by treaties; second, how are we spending the money and how does it match up to that; and, third, what are the total needs of the Indian tribes—in total?

So until those pieces are there, it is kind of hard to say right now, just looking at the distribution angle, whether that is the right distribution or the fairest distribution until it is taken in total.

Senator STEVENS. In my State, this administration recognized 227, I believe, villages as tribes——

Mr. REZENDES. Right.

Senator STEVENS [continuing]. And declared they were tribes for the first time. The method of dealing with them has been to just give them each a small amount, without regard to the population.

Is there any other area of the country that has the same type of distribution, just a flat rate per village?

Mr. REZENDES. Not that I am aware of. Are you talking about the small and needy tribes? There are 292 there in total. The remainder are mostly in the Sacramento area, I believe, and are outside of Juneau.

I am not aware—do you mean are there other Federal programs out there that target these?

Senator STEVENS. Are there other tribes within the BIA area that have the same type of distribution? It is my understanding that, as a matter of fact, we provided that just for this current year, about $200,000.

Mr. REZENDES. Right. But they have not received the $200,000, I mean, they have asked for additional funds to get them up to $200,000. I think last year the distribution was $160,000.

Senator STEVENS. You indicate a range of from $104 to—what?

Mr. REZENDES. $121 to over $1,000.

There is an attachment to my statement which includes the breakout for all 12 BIA area offices.

Senator STEVENS. Do you break it down on an acre basis of the land involved or on the basis of the population?

Mr. REZENDES. It was strictly based on population. That is what we were asked to focus on for this hearing so that is what we did, using the tribal populations from 1995 data and dividing that into the TPA funds for 1998.

Senator STEVENS. We are going to be very interested in your report, obviously. I am quite worried about what to do about 1999 for the Alaskan area. It is not going to be easy to do.

Do you have the capability of identifying need on the basis of these charts?

Mr. REZENDES. We haven't and that was not the focus of this request. We were focusing strictly on the distribution, how the distribution was made, and the justifications for the distribution.

One of the things that does give us a little concern is a good part of the base funds in the TPA account, as you know, are based on historical distributions. There was not much documentation, or rationale, as to why they were at the levels that they were.

It could be that there is a sense of equity there. We don't know. But there was little documentation as to how everybody got what they received in terms of the base funds.

Senator STEVENS. What basis is the historical level? How far back are you going?

Mr. REZENDES. I think we are going right back to Day 1.

We did ask and they were able to provide us on the base funds that they were historically based and had just reoccurred, and any additions, particularly prior to the 1990's, were really a result of congressional increases per tribe, specifically targeted. But then, after that, any general increases were usually distributed on a more pro rata basis.

So there was not really much behind that we could get in terms of documentation, at least to date, unless BIA has something new that they have not shared with us right now, as to what the rationale was for the various funding levels.

Senator STEVENS. I am told that on a tribe basis, the TPA funding ranged from an average of $219,700 for Alaska tribes to $49 million for the Navajo. Is that correct? Is that the range?

Mr. REZENDES. Do we have that?

Ms. NAIBERK. We don't have the per tribe information yet. We will have that in our report.

Senator STEVENS. Have you had a chance to look at how the BIA has interpreted our small and needy tribe mandate for last year, for this current fiscal year?

Mr. REZENDES. Do you mean in terms of how they are distributing the funds?

Senator STEVENS. Yes.

Mr. REZENDES. Yes; we did. We did look at that.

Do we know what the numbers are? Is it $160,000?

Ms. DUNCAN. [Nods affirmatively.]

Mr. REZENDES. I believe each of the tribes received $160,000, even though, as you know, Alaska is targeted to receive $200,000. But there was a shortage of funds, so everyone got the same thing regardless of whether in Alaska or in the lower 48.

They are asking for additional funds this year to increase the allocation to those Alaskan tribes to the $200,000 level.

Senator STEVENS. This allocation, have you looked at this formula? Is it just a structural thing? I mean, do they get so much money and once a tribe gets an increase it becomes structural and it never gets back below that? What is the historical basis for this?

Mr. REZENDES. It is really more complex than that.

Take, for example, Juneau, in which I am sure you have some interest. Last year, the Congress gave the BIA for the TPA program a general increase of $23 million.

Senator STEVENS. Right. That was supposed to cover that Alaska addition.

Mr. REZENDES. Right. But what happened, though, was that was distributed to each of the BIA offices and each of the tribes, in working with BIA, then decided how to distribute that money among the tribes. In some areas, the tribes decided to each get a pro rata allocation, to just divide it up.

Alaska was a little different. They decided in Juneau, for example, that they would give each of the tribes $4,000 and the remainder would be distributed based on the amount that that tribe receives of TPA funds plus a population factor.

Senator STEVENS. They didn't carry out what Congress told them to do, right?

Mr. REZENDES. Well, basically, that is correct. What they are basically saying is that while a BIA task force recommended $200,000 per Alaskan tribe, they thought the money should be spent on a different priority basis rather than on meeting the $200,000 recommendation first.

Senator STEVENS. But we were following the 1994 task force recommendation that every tribe in Alaska should receive not less than $200,000 and we thought we funded that last year. That was specifically stated in our report, as I recall.

Mr. REZENDES. It did not happen.

Senator STEVENS. Do you know what the smallest population tribe is that receives TPA?

Mr. REZENDES. I think they are down to, there is one with one.

Senator STEVENS. One person?

Mr. REZENDES. Is that correct?

We believe there is one tribe with one.

Senator STEVENS. One tribe with one person?

Mr. REZENDES. Yes, sir.

Senator STEVENS. How much did that tribe receive?

Ms. DUNCAN. In terms of the tribal distribution specifically, we did not go through and identify specifically which tribes got exactly—excuse me. We identified which tribes got how much money. For the purposes of this testimony, we don't have that information available.

However, based on the information in the Bureau's listing of Indian service populations, there are some tribes—and I cannot tell you off-hand how many—that have very small enrollments. In fact, a couple here report zero. I don't know how reliable those numbers are.

In the event that there are tribes with very small populations like that, they would be small and needy if they received less than $160,000 in TPA funds.

Senator STEVENS. But you don't know how much they actually received for those small populations?

Ms. DUNCAN. All of the tribes that were identified by the Bureau as being small and needy received $160,000 pursuant to the direction in the appropriation.

Mr. REZENDES. I would add to that also, to give you a little more information, some tribes that were not even federally designated tribes received some funds.

Senator STEVENS. Now Ms. McInerney-Comstock pointed out to me that at least two entities received funds that were not listed in the tribal list.

Mr. REZENDES. That's correct, the Valdez and Kodiak. We were told, and Interior is checking this out, that there may be four others that received TPA funds also that were not on the tribal list.

That occurs—and BIA I am sure is going to speak to this also—because they were part of a compact and the compact received TPA funds and distributed it to its members.

Senator DORGAN. Mr. Chairman?

Senator STEVENS. One second, please.

I don't know of a worse mess than the way they have handled the Alaskan tribal situation in this administration. We are setting a precedent here of anticipation of continued funding which just cannot be sustained unless we get some rational formula that applies to tribes based upon population plus need, some allocation of need.

I hope that you can come up with some type of recommendation to Congress as to what kind of information we should have before we attempt to legislate such a formula.

Yes, Senator?

Senator DORGAN. Mr. Chairman, just to follow up on your question, is it possible that a tribe with an enrollment of one received the $160,000 of TPA funds?

Mr. REZENDES. Oh, it's quite possible. Yes.

This is still preliminary. It is still ongoing. We have not checked all of the information out. We are just using BIA data and BIA reported service populations. That data is not very good, so we still have additional work to do.

Senator STEVENS. It is obvious that we do not impose audits where it is perhaps more costly to have the audit than the funds involved. But it appears that we are getting into a situation where we don't have the financial information that is necessary. Are you looking at that, too, in terms of what level of funds should be covered by an audit?

Mr. REZENDES. GAO has already taken a position on that.

As you know, the Single Audit Act applies to all entities that are expending Federal assistance. Basically, the threshold was just raised from $100,000 to $300,000 in 1997.

Senator STEVENS. But where there is compacting, it would seem to me that the compact would be covered, even though the individual entities within the compact were not receiving more than $300,000. The compact itself should cover all of those within the compact.

Mr. REZENDES. Only to the extent that they are expending Federal assistance. Now they can get income from other sources and those can be comingled, either from their private businesses or for profit entities which are structured within those compacts.

In fact, we found that that was one of the reasons why half of these reports that we looked at received qualified opinions from the CPA firms, because there was not a complete disclosure of the entire entity.

Senator STEVENS. I am monopolizing this and I'm sorry. My colleagues are going to have some questions. But I want to get to one other aspect, which is this.

You indicated that 98 tribes reported a total of $1.2 billion in business operating income. Did those tribes that had that income also receive TPA funds?

Mr. REZENDES. Yes; I am trying to figure out where our numbers are right here.

Do you remember what they are?

Ms. NAIBERK. For those tribes that report operating income and also receive TPA funds?

Senator STEVENS. Yes.

Mr. REZENDES. Yes.

Ms. NAIBERK. We identified, I think, 98 tribes that received operating income.

Senator STEVENS. I'm told there is a Washington Post article just recently that indicates that some of these tribes are already distributing profits to their members on a per capita basis and are still receiving TPA funds. Is that correct?

Mr. REZENDES. Yes; we found 43 tribes that reported payments to their members, totaling $324 million.

Senator STEVENS. That is allowed under the current law, isn't it?

Mr. REZENDES. Yes, sir.

Senator STEVENS. So there are 43 tribes that paid a total, I am told, of $324 million, which range from $25,000 to $38 million, the average being $7.5 million?

Mr. REZENDES. That is correct.

Senator STEVENS. We have a vote on. I didn't realize that.

Would you take over for me, please?

Senator BURNS. Are we a rudderless ship?

Mr. REZENDES. I would only point out that we are going to be around. BIA is going to testify next and we will stick around if you want to ask more questions later.

I don't want you to feel pressured. We will be here.

Senator DOMENICI [presiding]. Oh, don't worry. I won't feel pressured. [Laughter.]

I may do something else, but don't worry about that.

Did you have any further questions, Senator Dorgan?

Senator DORGAN. I do, Mr. Chairman.

Senator DOMENICI. Why don't you proceed.

Senator DORGAN. I don't want to apply any pressure to the chairman or the witnesses. [Laughter.]

Senator DOMENICI. I am unaccustomed to chairing committees, as you know. [Laughter.]

Senator DORGAN. Let me understand just for a moment the discussion you had with Chairman Stevens about tribes with either no enrolled members or one enrolled member receiving a minimum allocation of TPA.

Can you review for me again why a TPA minimum allocation of $160,000 would go to a tribe with no enrolled members or one enrolled member?

Mr. REZENDES. Basically, the rationale for the program is to help those tribes in terms of governance and organization. There is a certain threshold, I believe tribes with less than 1,500 members, who are to receive a minimum allocation of $160,000 in the lower 48 and $200,000 in Alaska to help them with their governance and organizational structure.

Some of the numbers we looked at also show there are some rather minimum numbers of members.

I have to say, though, that we are not confident in the population data that we have, whether it is accurate. I know that BIA has some concerns about the data also.

I think by everybody's admission, there are certainly tribes out there with low populations. The exact numbers may be in question here.

Senator DORGAN. But one or zero is not low. That is not confidence.

Mr. REZENDES. What I am saying is we don't have any confidence that the zero is accurate or the one is accurate. But there are probably some out there in the teens.

Senator DORGAN. But at least with respect to the one, you could just send someone to the area and say is there one here?

Mr. REZENDES. Yes, right.

Senator DORGAN. I had a hearing on the Turtle Mountain Indian Reservation on TPA. The reason I am asking these questions is 3 or 4 years ago I had a hearing on the Turtle Mountain Reservation. This is a reservation that is small in square miles but very dense in population. It is our largest tribe in terms of population and it has desperate poverty, just desperate poverty.

I was trying to understand how the TPA funds were allocated. I had folks fly in from the BIA. They came up from Aberdeen and elsewhere. There was a lengthy hearing where I was able to question them at length. It was determined that none of us, including those who administered the TPA funds, could tell me the formula with which the TPA program was administered.

No one understood it.

Mr. REZENDES. I agree. They get three-quarters of $1 billion for the program. Most of that, about two-thirds of it, about $500 million is what is called base funds. We have been working diligently to ask what are their justifications or rationales as to how the base funds are distributed. We are told, clearly, that there is no documentation. It is based on historical levels and these things just

have grown over the years to that level and no one can really articulate clearly as to why each tribe gets that amount.

Senator DORGAN. That is what I discovered in these hearings. I mean, it is an unforgivable lack of accountability, it seems to me, in a program like this to not be able to develop some stream of paper on why this money is allocated a certain way.

I have one final question. You referred to a de minimis level for auditing purposes.

Mr. REZENDES. Yes; in the Single Audit Act, any entity expending over $300,000 in Federal funds must be audited and submit a certified financial statement on an annual basis. What we did is we looked at all of the statements, 326, that were on file from the tribes at the Department of Interior.

Senator DORGAN. Would a statement have been submitted for someone under $300,000?

Mr. REZENDES. No.

In 1997, the threshold changed. Prior to 1997, it was $100,000. After 1997, it became $300,000.

Senator DORGAN. Mr. Chairman, you know, $160,000 is still a lot of money where I come from. It seems to me the question the chairman asked about aggregation with respect to these compacts is important. But even if such aggregation was not triggering such a report, it seems to me we ought to revisit that.

Thank you for allowing me to ask my questions.

Senator DOMENICI. Let me proceed in the absence of Senator Stevens with some of the questions he would have. I do think it is very important that at the earliest practical time, today if possible, that we get to the Assistant Secretary for Indian Affairs, who is new on the job, committed to trying to fix some of these things and others. There are many problems at the BIA besides this one. We ought to hear from him as much as we can.

Could I ask you, if you know, of these so-called profits that the Indian tribes have realized and from whence distribution has occurred, as you have described it, do you know the kind of businesses that have yielded that? Is it predominantly gambling money?

Mr. REZENDES. No; it is across the board. It includes everything from the amounts that they have received from taxes and leases, money they received from settlements—it covers everything.

As you know, the Indian Gaming Commission requires tribes to report Indian gambling and that is reported separately. But some tribes also reported it. It depends on how their organization and financial structure is arranged as to whether it is also reported on their financial statements under the Single Audit Act.

Senator DOMENICI. We know that 43 tribes paid out an average of $7.5 million in profits on a per capita basis. What we don't know is how many more tribes paid out that much or more because they don't have to provide this information.

Mr. REZENDES. That's correct, yes.

Senator DOMENICI. Why don't they?

Mr. REZENDES. Well, under the Single Audit Act, the only requirement there is is that part that relates to the Federal Government.

Senator DOMENICI. Gotcha.

Mr. REZENDES. If their books are comingled, in fact, a lot of the financial statements did not receive—received a qualified audited opinion, which means the CPA firm had a problem. It was because those pieces were not included or disclosed and they view them as an integral part of the organizational structure.

Senator DOMENICI. Do we have any way of knowing how much profit flowed back into their tribes before they made the distributions to members?

Mr. REZENDES. We have not looked at that.

Senator DOMENICI. OK.

Yes?

Ms. DUNCAN. The information that we obtained from the financial statements, those operating profits were taken before there were transfers to other parts of the tribe. We did that so that we were not taking into account money transferred in from another section.

So that information would be—or may be—reflected in the financial statements if there was such a distribution.

Senator DOMENICI. Do all of the 43 tribes that made distributions receive full BIA funding, including TPA?

Mr. REZENDES. Yes; just about all tribes listed on BIA's list received TPA funds.

Senator DOMENICI. You have noted in your report, your statement, that some tribes reported more complete information in their single audit standard than others. Is that correct?

Mr. REZENDES. Yes, sir.

Senator DOMENICI. Do we have any reason?

Mr. REZENDES. Again, this gets to an arcane accounting thing. It depends on how their books are structured.

For example, let me give you a more real example. Suppose some tribes had a little convenience store as a business. If that was an integral part of the tribe's activities, those incomes and expenses should have been included in their financial statement because of the potential liability.

Suppose someone fell at this convenience store and there was a liability that would have a call on the assets of the tribe. That should be disclosed there. So it depends on how they were structured and how the controls of the financial arrangements were made.

Senator DOMENICI. How many of the 326 financial statements received qualified auditors' opinions?

Mr. REZENDES. About half.

I should also mention that just because you received an unqualified opinion, which meant that the CPA firm thought everything was OK, all he is attesting to is that the presentation that the tribes are making as to how they spent their money is fully disclosed. It does not mean that the expenditures were OK. It is just that they are disclosing whatever kind of problems they have.

Senator DOMENICI. Do the 326 financial statements actually represent 326 tribes?

Mr. REZENDES. No; they represent more than that, probably about 400 tribes of the over 500 that are actually recognized. The reason for that is because of consortia and various groupings of how they keep their books.

Senator DOMENICI. Unless Senators at the dais have further questions, I think we are going to take you up on your offer.

As I gather, what we are really trying to do is to come up with something that is more equitable than what we have been doing, and you are helping us in that regard by finding out information. Is that a fair assessment?

Mr. REZENDES. That is a fair assessment.

I have to tell you, though, that we are having a difficult time because of the information that is out there, either in terms of the lack of justifications or historical information or the quality of the information that we are receiving. So that will put a limitation on.

Senator DOMENICI. So maybe I should ask the question this way. In that context, is there anything we as a committee, or as a Senate, can do to help you in that regard?

Nobody is refusing to give you information, I hope.

Mr. REZENDES. Oh, no. Exactly. In fact, I think BIA sees the same problems with the information that we do. I think they see them clearly. I think what their problems are is the lack of leverage, particularly under the Single Audit Act, in terms of making tribes do them as they are required to do. Apparently not all of them are submitting it, even though it is a Federal requirement. And once the information does come in and does show problems, you must get those corrective actions taken so that you have adequate and fair presentation of the financial expenditures that were done with the Federal funds.

Senator DOMENICI. From my standpoint, I want to just state for the record as one Senator from Indian country—and I have the largest population percentage in any of our States and more individual Indian entities than any other State; we have 19 pueblos in the State and have only three U.S. Representatives, so we are not a big State—I would wish that the Indian people did not have to divulge any of their proprietary business information. I assume that is impossible so long as we are contributing significant amounts of money to the Indian tribes and reservations in various forms because Congress will want to know, and that is what has led us to this audit by you.

Mr. REZENDES. Exactly.

Senator DOMENICI. I hope the Indian people understand that we were on the threshold of having a brand new arbitrary formula which just said how much money do you make and if you make more than another tribe, you get less of the Federal Government's money. One could think of all kinds of reasons why that may very well have been very arbitrary.

So, rather than do that, we are in the midst of trying to find out a better way.

We thank you all very much.

Now would the Assistant Secretary please come to the table and bring with him whomever he needs for his testimony.

Welcome, Mr. Assistant Secretary. Do you have some opening remarks and would you introduce the people you have with you, please?

SUMMARY STATEMENT OF HON. KEVIN GOVER

Mr. GOVER. Yes, Mr. Chairman.

To my left is Hilda Manuel, the Deputy Commissioner of Indian Affairs. To my right is Joann Sebastian Morris, the Director of the Office of Indian Education Programs.

Good morning, Mr. Chairman. It is good to see you.

Let me sort of summarize briefly. We have a statement for the record. Let me highlight a few items and then turn to a discussion about some of the things that the committee has just heard about.

Our budget request for fiscal year 1999 reflects basically three priorities and three major differences from our current operating budget. The first is education. We are requesting an increase both in school construction and facilities improvement and repair, and in operating funds for the Bureau of Indian Affairs schools.

Second, we are asking for a $25 million increase in law enforcement funds to address a problem of growing crime on the reservations, increasingly violent crime, and increasing youth crime, all three of which have become painfully clear.

This is part of an overall administration initiative involving the Justice Department and the Department of Interior that would increase the resources available to reservation law enforcement programs by over $180 million.

The third item I wish to emphasize is the request for additional funding to finance our efforts at trust management improvement. As you well know, the Bureau of Indian Affairs has had some very serious problems in the past in the management of Indian trust assets, primarily the trust funds. The special trustee has developed and the Secretary has modified and approved a program for the improvement of the Bureau's administration of trust funds and trust assets generally.

PREPARED STATEMENT

In fiscal year 1999, we anticipate that we will need additional funds in order to do some of the sort of backfilling that needs to be done to clean up the system so that after the year 2000, we will have nothing but good data going into a good system and producing a good outcome.

With that, Mr. Chairman, those are our primary points to make today. We would be happy to answer questions, particularly regarding the tribal priority allocations.

[The statement follows:]

PREPARED STATEMENT OF KEVIN GOVER

INTRODUCTION

Good morning, Mr. Chairman and members of the Committee. I am Kevin Gover, Assistant Secretary for Indian Affairs at the Department of the Interior. It is my pleasure to be here today to present the President's fiscal year 1999 budget request for the Bureau of Indian Affairs (BIA). While I have been the Assistant Secretary only four months, I must say it has been an exciting and educational time. In addition to presenting the BIA budget today, I want to expand on a few of the issues that concern me and to emphasize some that I believe will provide us with opportunities to assist Indian people.

BIA'S PROGRAMS

In the last two centuries, the Congress has passed more Federal laws dealing with Indian tribes and Alaska Natives than any other group of people in the United States. While the Snyder Act, the Indian Self-Determination and Education Assist-

ance Act of 1975, and the Indian Education Amendments of 1978 provide the primary budgetary authorities, numerous statutes, court decisions, treaties and other authorities (including those passed in the early 1800's regulating trade with Indians) continue to guide the BIA's mission and administration. The diversity of these mandates frequently requires the BIA to balance the inherent conflicts and problems created by more than 200 years of shifting and evolving Federal-Indian policy.

The BIA's most basic responsibilities are its trust obligations and facilitating tribal self-determination. However, while the protection of trust resources is a fundamental responsibility, tribes struggling to meet the basic needs of their communities must compete for the same limited resources the BIA uses to protect trust resources. The BIA's success relies on judiciously balancing these competing mandates.

The BIA provides services directly, or through Self-Determination contract, grant and compact agreements with tribes, to more than 1.2 million American Indians and Alaska Natives in 31 states. The scope of BIA programs is extensive and covers virtually the entire range of state and local government services. BIA's programs are funded and operated in a highly decentralized manner with 90 percent of all appropriations expended at the local level with an increasing amount operated by tribes and tribal organizations under contracts or self-governance compacts. In addition, the BIA administers more than 43 million acres of tribally-owned land, more than 11 million acres of individually owned land held in trust status and 443,000 acres of Federally owned land.

While the BIA's role has changed significantly during the past two decades with an increasingly greater emphasis on Indian self-determination; Indian tribes still look to the BIA for a broad spectrum of critical and complex programs administered either by the tribes or the BIA. Among these are an education system for an estimated 53,000 elementary and secondary students; 26 Tribally controlled community colleges; law enforcement and detention services on more than 200 reservations; social service programs for children, families, the elderly, and the disabled; management of the forest, mineral, fishery and farmland resources on trust land; the maintenance of more than 25,000 miles of roads on rural and isolated reservations; economic development programs in some of the more depressed areas in the U.S.; the implementation of legislated land and water claim settlements; the replacement and repair of schools and detention centers; and the repair of structural deficiencies on high hazard dams.

BIA'S CONSTITUENTS

The BIA's programs serve communities that face great challenges. According to the 1990 census, the American Indian population increased to more than 1.2 million, four times the population reported in 1960. While part of this increase is due to an increase in self-identification, a large portion is the result of a natural population increase. Based on this rapid rate of growth, the Census Bureau estimates that the American Indian population will reach 4.3 million, representing just over 1 percent of the population, by the year 2050.

Geographically diverse, almost half of American Indians reside on approximately 300 reservations and other restricted and trust lands located throughout the United States. Reservations can vary in size from a few acres, such as the rancherias in California, to the 17.5 million-acre Navajo reservation. Approximately 63 percent of American Indians reside in urban areas—half of whom are concentrated in a relatively small number of cities. According to the 1990 census, more than one-half of the American Indian population live in six states: Oklahoma, California, Arizona, Alaska, Washington and New Mexico.

The census also reports that the median age of American Indians is 26 years, compared to 33 years for the population at large. This young population is in part the result of mortality rates that are higher for American Indians than for the U.S. population. Cardiovascular disease is the leading cause of mortality among American Indians. Other leading causes of mortality are homicide, suicide and accidents, alcohol-related and primarily affecting Indians in their teens through mid-20's. It is estimated that alcohol-related deaths among American Indians are four times greater than the national average.

By any socioeconomic measure, American Indians trail the general U.S. population. According to the census, an American Indian's family median income was 61 percent when compared to the total U.S. population. The per capita income was 54 percent for American Indians residing on all reservations and trust lands when compared to all American Indians. In addition, American Indians are nearly two and one-half times as likely to be living below the poverty level as the U.S. population in general.

According to research, two factors account for the decline in American Indians' overall income. While American Indian men's educational progress has improved with tangible results, it did not contribute to a relative gain in income, because non-Indian men also improved their skills and education. The U.S. economy contributed to this situation because the least skilled and least educated were rewarded less and found it harder to remain employed. Since American Indian men were disproportionately represented, the overall income of American Indian men fell. (American Indian women witnessed increased incomes; however, this was largely attributable to an increase in annual hours worked.) In other words, improvements in education levels or labor market experiences of American Indians had little impact on gains in relative incomes.

In summary, American Indians are younger and have higher levels of poverty, unemployment, single parent families, fertility and mortality than the U.S. population at large. Tragically, trends are deteriorating for this highly vulnerable population.

While all these conditions are deplorable, I want to emphasize the problems of alcohol, substance abuse and the incidence of suicide. These issues deeply troubled me before I came to the BIA and I remain especially concerned about the current state of our Indian youth. I have already taken two steps to confront these widespread and deeply rooted problems. While touring Indian schools in North Dakota, at the request of Senators Dorgan and Conrad, I met with tribal leaders, students, parents, and others about an epidemic of suicide among the youth of the Standing Rock Reservation. I urged the tribe and the community to develop a plan to combat this problem using all of the traditional and current wisdom that can be tapped. I believe each tribe must do this in order to form tribal solutions to tribal problems. I firmly believe that solutions to community problems must come from Indian Country, not from Washington. I have pledged federal resources when they can assist these local efforts to stop this loss of young life. I hope that efforts to help the young people at Standing Rock can be an inspiration to other tribes facing similar problems.

I have issued a similar request to tribal leaders and members at the National Congress of American Indians meeting in New Mexico in November. Tribes must conquer our crippling problem of alcohol and drug abuse among American Indians, especially our young people. Again, I firmly believe this must be a tribally created program and not a federal program. However, I believe it is wise and appropriate to use Federal expertise and resources to assist this tribally driven effort. Already, I've received a resoundingly strong response to this call and look forward to the creation of a steady and successful effort to educate Indian people about the dangers of alcohol and drug abuse. I have also met with an Indian Education Advisory Group promoting an Indian Education Executive Order that would facilitate a comprehensive education effort.

In summary of this critical need, I would like to ask that you support the other agencies' funding requests relative to future efforts. There are proposed increases for funding alcohol and substance abuse prevention activities in both the Indian Health Service and the Department of Justice budget proposals. I strongly support these proposals and would appreciate your support as well.

FISCAL YEAR 1999 SPECIAL INITIATIVES

BIA schools restoration

Eighty-two percent of the BIA's building square footage is educational space. These buildings are old and often in poor condition. Two percent are more than 100 years old, 20 percent are more than 50 years old, and 50 percent are more than 30 years old. Yet most educational facilities are built for functional uses for an average of only 25 years.

This initiative is to provide for the increased construction, equipment and rehabilitation of school facilities for more than 53,000 Indian students who attend the 185 Indian schools. The BIA seeks a $32 million increase to provide safe, functional and economical educational facilities in Indian communities. This construction program provides for the construction of new facilities to replace existing facilities, and the rehabilitation, upgrade, or repair of the existing facilities where feasible. Schools may be operated directly by the BIA or by tribal organizations under the contracting authorities.

Research has demonstrated that placing instructional and residential programs in facilities that do not meet health and safety codes distract from the educational program. The cost estimate of the BIA's backlog work needed to abate such health and safety code deficiencies in education facilities currently exceeds $695 million. This initiative provides for one additional replacement school, the completion of two

schools that were started this year, and a nearly 50 percent increase over the fiscal year 1998 education facilities improvement and repair funding.

Law enforcement in Indian country

Crime is a seriously increasing problem in Indian Country. A reported crime in Indian Country is twice as likely to be violent as compared to crime reported elsewhere in the United States. However, there are fewer than half as many law enforcement officers per capita. The purpose of this initiative is to improve law enforcement and detention services in Indian Country.

Tribal leaders consistently express concern for the poor quality of law enforcement services provided to Indian Country. This is exemplified by worn-out equipment, dilapidated police and detention facilities, reduced law enforcement staff and limited financial resources. The poor quality of law enforcement services is directly related to the inadequate level of funding available to the BIA and tribes for law enforcement and detention programs.

Pursuant to President Clinton's directive of August 25, 1997, the Secretary of the Interior and the United States Attorney General worked with Indian tribal leaders to analyze the law enforcement problems and to provide options to improve public safety in Indian Country. The resulting initiative consolidates the existing three major law enforcement areas (uniformed police, criminal investigation and detention) under the line and budgetary authority of the BIA's Office of Law Enforcement Services (OLES), and provides for a considerable increase in the number of on reservation officers. Additionally, it continues the good work the DOJ has commenced through grant programs such as the Community Oriented Policing Services (COPS) and expands other DOJ grants. It is my intent to see that public safety is significantly improved.

The Bureau's share of this initiative will be used to finance officers for tribes that choose not to contract law enforcement programs and to support the DOJ grant programs. DOJ grants such as COPS can be made available for law enforcement staff, but not for training and equipment. DOJ and the Bureau are preparing an implementation plan to assure that the combined funds for the law enforcement initiative are optimally used.

CLEAN WATER AND THE ENVIRONMENT

Water quality is a prime indicator of the quality of the environment and the quality of life. The Water Quality Management Planning initiative ($5 million) is to improve the quality of water and the environment on reservations in the Missouri, Rio Grande, Columbia, Upper Mississippi and Colorado River basins. The initiative is to develop a comprehensive analysis of reservation water quality and tribal watershed management planning, and to relate these activities to the overall water quality concerns and other watershed management planning efforts of the river basin in question. Information developed through this project can be used to help target BIA funding for environmental protection and guide resources management planning efforts and opportunities. The results of the analysis will permit better focus of environmental protection efforts and cleanup efforts on and off the reservations. The larger result will be a higher quality of life.

The BIA's environmental compliance program has been under funded for many years. The Environmental Protection Agency (EPA) has begun assessing penalties against BIA for noncompliance with environmental requirements: most recently, EPA has proposed to fine BIA $937,000 for violations of the underground storage tank regulations. EPA has also issued an enforcement action against BIA for RCRA reporting violations, which resulted in BIA agreeing to penalties, audits and training expenses that will exceed $600,000. BIA must begin to address its environmental obligations, and I am taking internal steps to assure that this occurs. However, additional funding is needed to correct years of noncompliance. Therefore, I ask you to support BIA's fiscal year 1999 budget request of $11,790,000 for BIA's environmental management program (currently split between the Office of Trust Responsibilities ($6,780,000) and the Facilities Management and Construction Center ($5,010,000). This amount is $6,010,000 more than was appropriated for environmental projects in fiscal year 1998, and will allow BIA to begin to address a $100 million backlog of environmental cleanup work that BIA is aware exists in Indian communities throughout the country and to initiate baseline environmental audits of BIA facilities which are required by the Department of the Interior to be completed in 2002. I believe that the $100 million of known clean up costs represent only a fraction of the existing contamination, and that the figure will increase substantially as the baseline environmental audits take place. BIA's request, although an increase over fiscal year 1998 funding levels for environmental compliance, is

merely the first step in a multi-year process to bring BIA into full compliance with environmental regulations. In addition, some of this funding will be provided to tribal governments to assist them in their efforts to bring tribal facilities into compliance with applicable environmental standards.

INDIAN LAND CONSOLIDATION PILOT

The successive inheritances of allotted Individual Indian lands held in Trust by the Federal Government have led to individual land parcels held by a large number of people with a small fractional interest. This initiative provides for the establishment and implementation of a land acquisition program to consolidate the fractionated ownership of trust and/or restricted Indian lands. The funds will be used to establish an Indian Land Consolidation Pilot within the BIA to acquire the fractional interests of Indian individuals. The primary emphasis of the acquisition fund will be to acquire those interests that represent 2 percent or less of the ownership interest; however, consideration will be given to acquiring interests greater than 2 percent. Fractionated ownership of allotted Indian lands is a pervasive problem which is seriously deterring the Federal Government's ability to administer and manage the trust/restricted lands, maintain accurate and up-to-date ownership records, and trust fund accounts. It also limits tribes and tribal members from realizing the full economic potential of their lands. Therefore, funding is critical in assuring the optimum integrity and usefulness of systems in terms of trust asset management.

More than half of the BIA's current Real Estate Services program budget is spent on administering 20 percent of the trust and restricted lands. Implementation of a fractionated interest acquisition program will assure the reduction of the number of fractionated owner interests which, in turn, will enable the BIA to more timely process real estate services transactions (leases, sales, rights of way, etc.) as well as maintain current ownership and title records. This reduction of owner interests in trust and restricted lands will facilitate the timely distribution of trust income. The results will be savings to the real estate services, land titles and records and trust fund programs administered by the Federal Government and better ensure that the Federal fiduciary responsibility is met.

In addition to the Land Consolidation Pilot, the BIA request supports two of the Administration's major efforts to reform the management of Indian trust funds and address deficiencies of the past. The BIA has a significant role in the Trust Management Improvement Project being overseen by the Office of Special Trustee. Efforts are required to ensure data housed in existing or new systems are accurate; and to eliminate trust processing backlogs to ensure records are up-to-date, particularly land ownership records. An increase of $5.2 million is requested for probate and land records backlog reductions. The Bureau will also work jointly with the Office of Special Trustee to acquire a comprehensive Trust Asset and Accounting Management System (TAAMS) to replace components of BIA's currently inadequate, and not uniformly used, Integrated Resources Managements System (IRMS). TAAMS will include master lease, billing and accounts receivable, collection, and resource management subsystems. TAAMS components are also expected to be off-the-shelf systems, maintained and operated by contractors.

FISCAL YEAR 1999 BUDGET SUMMARY

The 1999 budget request for BIA is $1,844,136,000 in current appropriations, an increase of $142,145,000 above the 1998 enacted level. The budget stresses the resources tribes need to provide basic reservation programs and develop strong and stable governments, ensure accreditation of BIA schools, address critical infrastructure needs, and meet the Secretary's trust responsibilities. The BIA continues to keep administrative costs low.

In fiscal year 1999, the BIA will continue to operate as a highly streamlined and decentralized agency with maximum resources going to Tribal programs. The BIA anticipates that more than half of the fiscal year 1999 operating and construction budget will be spent directly by tribes that elect to operate various BIA programs under self-determination contracts, grants, or self-governance compacts.

OPERATION OF INDIAN PROGRAMS

For fiscal year 1999, the total request for the Operation of Indian Programs is $1,638,681,000, an increase of $110,093,000 over the fiscal year 1998 Enacted level.

Tribal priority allocations (TPA)

TPA provides the principal source of funds for local units of government, most of which are small and lack independent resources to meet the increasing costs of Tribal government operations. Congressional funding levels in 1996 and 1997 forced Tribal governments and the BIA to fall behind in their ability to maintain services to Indian communities and families, necessitating full funding of the fiscal year 1999 request. Tribes depend on the TPA budget activity for basic necessities and services such as law enforcement, child welfare, scholarships, natural resource management, and other programs critical to improving the quality of life and the economic potential of the reservations. Congress has given the tribes the flexibility to prioritize funds among TPA programs according to their unique needs and circumstances. TPA supports the goals of Indian self-determination by providing tribes with the choice of programs provided as well as the means of delivery, either by the tribe or the BIA.

For fiscal year 1999, the TPA activity is funded at $791,210,000, an increase of $33,862,000 over the fiscal year 1998 enacted level, which will help tribes address the unmet needs in these basic programs. Program increases proposed in this budget submission include $640,000 for New Tribes to support an anticipated four newly acknowledged tribes as they begin to establish viable Tribal government operations.

An increase of $4,015,000 is requested for Contract Support which, when coupled with the $5 million internal transfer from the Indian Self-Determination Fund, will provide $9,015,000 over the 1998 requested level, helping to fulfill BIA's goal of encouraging tribal self-determination through increased contracting and compacting. An increase of $3 million is proposed for Small and Needy Tribes to support the operation of viable Tribal governments. With the Congressional action during the fiscal year 1998 Appropriations process of funding Small and Needy with the TPA increase, these funds will go entirely to Alaska to move those Native Alaskans toward the Task Force recommended level of $200,000.

An increase of $5 million is requested for Child Protection and Family Violence Prevention so that tribes can establish or enhance existing child abuse and neglect prevention, substance abuse prevention (a significant direct cause of the Indian child abuse that exists) and family violence prevention programs. Tribes from across the country voiced deep concern about child abuse at the National Budget Hearing in May 1997. Child abuse and neglect referrals for 1992–1996 average almost 30,000 annually. An increase of $2 million is requested for the Tribal Work Experience Program in order to assist tribes with the resources they need to develop a comprehensive welfare reform program, and $2 million is requested for Adult Care Facilities Rehabilitation, which will result in savings to the BIA when these facilities meet State standards.

Other recurring programs

The priority for the new millennium described as first and most important by the President in his August speech is the education of our children. The BIA is responsible for the only major domestic elementary and secondary education system operated by the Federal Government. As such, it is incumbent that this system reflects the high standards President Clinton has set for all education. In support of this Presidential priority, the BIA's fiscal year 1999 budget request includes a significant investment in Indian education. The request for School Operations, which will fund schools and dormitories serving more than 53,000 elementary and secondary students in 23 States, is $486,885,000, a program increase of $26,498,000 over the fiscal year 1998 enacted level. The increase will ensure that schools can deliver quality education, and provide safe and adequate transportation for the estimated 3 percent increase in enrollment. Increases are also proposed in facilities operations and maintenance, administrative cost grants, and employee displacement costs to encourage the continuation of schools going into grant status and under tribal control.

The budget request increases operating grants to the 26 Tribally Controlled Community Colleges by $5,500,000 over fiscal year 1998. The colleges have been extraordinarily successful in providing pre-college adult education to Indian students that enables them to earn college degrees and eventual professional employment. They also promote entrepreneurship on reservations.

Non-recurring programs

The budget includes trust investments crucial to program performance in the out years. The request level for the BIA's environmental management program is $6,780,000, the same as the fiscal year 1998 President's budget request, but $3 million more than appropriated in fiscal year 1998, to begin to address an estimated $200 million backlog of environmental cleanup work in Indian communities throughout the country. An additional $1 million is requested for endangered spe-

cies to support tribal participation in species recovery. An additional $1,100,000 is requested for the Navajo-Hopi Settlement Program to provide services in areas that have been under served as a result of the Navajo-Hopi disagreement.

Other program increases include $1 million for Federal Energy Regulatory Commission re-licensing activities, and $3 million for Probate Backlog Reduction efforts. The probate backlog reduction effort is necessary to meet the Secretary's directive to eliminate backlogs and make timely distributions of funds derived from trust and restricted lands.

Another of my highest priorities is the $3.5 million increase for the Water Rights Studies and Negotiations program. This program, critical to fulfilling the basic Federal trust responsibility, funds negotiating teams that help individual Tribes settle their water rights claims through the negotiating process. The lack of adequate funding for this program will result in diminishment of reservation water entitlements and increased litigation, which is always more costly to the Federal Government.

CONSTRUCTION

The request for the BIA Construction appropriation is $152,054,000, with $86,612,000 for Education Construction. The BIA will continue to make progress in eliminating the unobligated balances in Construction facilities projects. Increased emphasis on tribal contracting for projects will be supported by awarding and approving officials being located within Facilities Management and Construction Center (FMCC) until the tribes and Agencies are fully trained to take over the construction contracting challenge.

The Replacement School Construction program funds replacement of older, unsafe, and dilapidated schools on reservations following a Congressionally approved priority list which is currently limited to 16 schools. In fiscal year 1999, $37,400,000 is requested to complete construction of the Seba Dalkai School in Arizona, the Sac and Fox Settlement School in Iowa, and the Pyramid Lake High School in Nevada. These schools are numbers nine, ten and eleven, respectively, on the priority list and necessary planning and design work is complete. The Education Facilities Improvement and Repair Program is funded at $46,212,000 and includes an increase of $14 million over fiscal year 1998 to address the $695 million backlog of repair work in existing education facilities, a focus of considerable concern within the BIA, the Department, the Administration and Congress.

The budget requests no new funding for Public Safety and Justice construction within the BIA request. It is proposed that new detention centers on reservations will be funded in the Department of Justice's appropriation as recommended by the President's initiative on law enforcement in Indian Country, and strongly supported by the Administration.

The budget requests $22,024,000 for the correction of structural deficiencies of high hazard dams on Indian lands. The backlog of repairs to hazardous dams currently exceeds $400 million. The BIA is responsible for 115 of the 420 high and significant hazard dams on the Department's Technical Priority List. These dams pose significant potential loss of life or, at a minimum, significant economic damage with liability resting with the Federal Government, both on and off Indian reservations and for both Indian and non-Indian communities. In fiscal year 1999, BIA will begin correction of high risk problems on dams in Arizona, Idaho, New Mexico, South Dakota and Montana.

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

This program provides payments to meet Federal requirements for legislated settlements. The fiscal year 1999 budget request includes $38,396,000 for payments for settlements resolving long standing tribal claims to water and lands. A large share of the fiscal year 1999 program continues to be dedicated to the Ute Indian Rights Settlement, in order to move closer to the funding schedule set forth in the Settlement Act. In addition, the fiscal year 1999 request includes funding for resolving the Rocky Boys Water Rights settlement claims.

GOVERNMENT PERFORMANCE AND RESULTS ACT

As required by the Government Performance and Results Act (GPRA) of 1993, the BIA has submitted a strategic plan as a component to the Department of the Interior's strategic plan. Based on addressing high-priority tribal needs amid a multitude of statutes, court rulings and treaty obligations, the BIA's Strategic Plan defines the BIA's long-term mission and general goals. The performance goals reflected in the

1999 Annual Performance Plan support these broad goals. Achievement of these annual performance goals will mark the BIA's progress in meeting its mission as set forth in the Strategic Plan.

The BIA's 1999 Annual Performance Plan meets the fundamental GPRA requirements, as well as those required by the Office of Management and Budget. First, it describes the mission statement and general goals. To show the linkage between the long-term and short-term goals, the general goals are described with the associated annual goals. The related annual performance goals are described with 1999 indicators; descriptions of the operational processes, skills, and technologies, and the human, capital, information and other resources necessary to meet the performance goals; and a description of the means that will be used to verify and validate measured values. The annual performance goals are consistent with available funding expected to achieve the designated targets and are consistent with and integrated with the BIA's President's budget request.

Performance measurements will require the collection of baseline data from which to assess progress. Information collection will be an important activity for the BIA to fill a gap that exists for two primary reasons. First, BIA in the past emphasized program delivery over collecting information on how to improve the programs. Second, BIA tribes have not developed the means to collect relevant information for compacts and contracts. Consequently, baseline data does not exist for most programs. OMB guidance on meeting GPRA requirements allows agencies to develop baseline data and describe how it will be defined and collected with the initial Annual Performance Plan.

This concludes my remarks about the BIA budget request for fiscal year 1999. I will be happy to answer any questions.

BIOGRAPHICAL SKETCH OF KEVIN GOVER

Mr. Gover is the Assistant Secretary for Indian Affairs in the Department of the Interior. As the Assistant Secretary, Mr. Gover provides executive leadership to the Department's activities and programs for the federally recognized Indian Tribes, and is responsible for promoting Indian self determination. These programs are carried out by a number of Department Offices, especially by the Bureau of Indian Affairs, Office of Indian Education Programs, Office of American Indian Trust, and the Office of Self Governance. In addition, Mr. Gover is one of the Secretary of the Interior's primary advisors on policy and issues dealing with American Indian people.

Prior to this appointment as the Assistant Secretary Mr. Gover was a partner in a law firm in Albuquerque, New Mexico. Mr. Gover began his professional career with the Washington, DC. law firm of Fried, Frank, Harris, Shiver & Jacobson, where he specialized in environmental and natural resources law as well as federal Indian law. He later formed his own law firm with several partners in Albuquerque, New Mexico that specialized in federal Indian, environmental, natural resource, and housing law with an extensive legislative practice. Mr. Gover has served on the Board of Directors of the Federal Home Loan Bank of Dallas, the Southwestern Association for Indian Art, and the Land and Water Fund of the Rockies. Mr. Gover has a B.A. in Public and International Affairs from Princeton University and a J.D. from the University of New Mexico Law School. Following law school, he served as law clerk to the late U.S. District Judge Juan G. Burciga of Albuquerque. Mr. Gover is a member of the Pawnee Tribe and is native of Lawton, Oklahoma.

BIOGRAPHY SKETCH OF HILDA ANN MANUEL

Ms. Manuel is the Deputy Commissioner of Indian Affairs for the Bureau of Indian Affairs organization. As the Deputy Commissioner, Ms. Manuel provides executive leadership to all major functions of the Bureau by exercising line authority over headquarters staff offices, area offices and field operations. Prior to her appointment as the Deputy Commissioner Ms. Manuel served as the Staff Director of the Indian Gaming Management staff office (IGMS). Under her direction the IGMS was responsible for the oversight and implementation of the Secretary's responsibilities under the Indian Gaming Regulatory Act of 1988. Ms. Manuel also served as the Chief, Division of Tribal Government Services prior to being hired as Staff Director of IGMS. Ms. Manuel was initially hired as the Chief for the Branch of Judicial Services in February 1990.

Ms. Manuel, a graduate of the University of New Mexico, School of Law, (1976) began her career as a juvenile court judge for the Tohono O'odham Nation in Arizona. During her tenure as juvenile judge, Ms. Manuel established a Children's Court system which became a national model for other Indian Tribes. In 1980, Ms.

Manuel was appointed Presiding Judge of the Tohano O'odham Court. After serving her term, Ms. Manuel moved to the Executive Branch of the Tohono O'odham Nation serving first as Legislative Aide to the Council and then as Director of the Tribal Management and Support Services Department. In 1986, Ms. Manuel left the Tohono O'odham Nation to work for the Pima County Attorney's Office as a Deputy County Attorney, primarily handling juvenile cases.

In addition to serving as a judge for the Tohono O'odham Nation, Ms. Manuel also served as a judge Pro Tem for the Colorado River Indian Tribes, Hualapai Tribe, Pascua Yaqui, Gila River Indian Community, White Mountain Apache Tribe, San Carlos Apache Tribe, Salt River Pima Maricopa Community and the Hopi Tribe between 1978–1987.

Ms. Manuel is a member of the State Bar of Arizona; she has also been a member of the Tohono O'odham Police Commission, Indian Oasis School District Board of Trustees, Arizona State Advisory Committee to the U.S. Commission on Civil Rights, Juvenile Justice Committee to the Arizona State Justice Planning Agency, Indian Youth of America.

Ms. Manuel is a member of the Tohono O'odham Nation, Chukut Kuk District. She has received numerous recognition awards including Outstanding Young Woman of America in 1987, YWCA Woman on the Move in 1988, and a Special Achievement Award in 1993 from the Assistant Secretary—Indian Affairs.

BIOGRAPHICAL SKETCH OF JOANN SEBASTIAN MORRIS

Ms. Joann Sebastian Morris is the Director, Office of Indian Education Programs, effective March 1 , 1996. Prior to that assignment, she was the Acting Director for the Office of Tribal Services since August 1994, and Special Assistant to the Assistant Secretary—Indian Affairs on education and social service issues since May, 1994. Ms. Morris joined the Department on an IPA agreement between a regional educational laboratory of the Department of Education and the Department of the Interior.

Ms. Morris began her career as a social worker then moved into education, going from teaching to administration and finally on to research. She brings 27 years of experience in Indian education to the position. She has worked primarily in the U.S. but also spent 6 years in research and development work in Canada.

Ms. Morris is a Sault Ste. Marie Chippewa of Michigan, her state of birth, and Cayuga of the Six Nations Reserve in Ontario. Her B. Ed. is from the University of New Mexico and her M.A. in anthropology is from U.C.L.A.

EDUCATION

Senator DOMENICI. Let me ask this. You mentioned $25 million, which will be leveraged to $100 million for law enforcement, but you did not mention the dollar number that the President has sought for increases to education.

Mr. GOVER. Mr. Chairman, my recollection is that we are asking for approximately $32 million more for education construction and that includes facilities improvement and repair.

Senator DOMENICI. What is the operating increase?

Mr. GOVER. We are requesting an additional $8 million for the operation of the schools.

Senator DOMENICI. OK. Let me just lay before you, Mr. Secretary, a couple of questions and observations that I have. Then, obviously, Senator Stevens will return or Senator Gorton will arrive. I have a meeting scheduled in my office.

I would ask somebody to call my office to tell them that I will be a few minutes late.

And here is our chairman now.

UNEMPLOYMENT IN INDIAN COUNTRY

Let me lay before you a couple of things. The country right now is in a state of economic euphoria. We have never had a stronger

consumer reaction in the United States to the well-being of the economy. We have the lowest unemployment rates in many States in decades. Do you ever ask yourself, with that being the case, why we have such high unemployment among the Indian people?

Now I don't expect a big answer, in detail. But does that not concern you, that we are all missing the boat in some way or another? The Indian people are not unable to work and get jobs. What is wrong? What is the disparity that you see out there?

Mr. GOVER. Obviously, it concerns us very deeply. I will say that per capita income, a lot of the measures of social well-being are actually on the rise, along with the rest of the country. It is just that Indian country started so very far behind that at a time when the economy is producing only 5 percent or so unemployment, in Indian country it is 5 to 10 times that.

Ironically, or tragically, that is a considerable improvement over the way it has been in the past. So things are improving slowly. But still the tribes lag far behind.

The reasons why are many. They are historical, they are institutional. There are problems, obviously, with the isolation of the reservations.

In our own New Mexico, as you well know, the tribes used to be very isolated from the major economic centers in the State. That is less and less true, and I think because of that, their prosperity is on the increase as they sort of get a portion of the commerce that really has always gone around them.

Senator DOMENICI. Mr. Chairman, Senator Stevens, I am going to give this hearing back to you. I have not asked any questions of him except I put the one question to him which you heard as you came in, which is why, with America in full employment, why are the Indian people so heavily unemployed and does that bother them. It bothers me. It bothers you. Something is not going right.

While I think your answer is a reasonable one, I don't think it is enough. There is something basic going on that is much more than that they started behind it all.

EDUCATION

Anyway, the other point I was going to make to you is this. I make it very clearly and very forcibly. I am not the least bit impressed with the President's budget on education. It is $32 million up on school construction and we have been on the floor talking about a backlog of over $750 million for schools that we would not send non-Indian kids to. He gave us only $32 million more, and $8 million more for the education system itself, while the President has asked for billions for other schools in the United States, with which we have nothing whatsoever to do, other than that the President would like us to. We must do these Indian schools because nobody else will do them. I mean, if we don't fix the Indian schools that we run, who is going to fix them?

Also, why should we be building schools in the United States with income taxes for the American people and having a responsibility that is purely ours go unnoticed, almost undetected? I don't think that is a very good policy.

I am very hopeful that, if we are doing education bills and they are putting a lot of money elsewhere in the United States, we can

come along and put some into Indian education. It is one of the clues as to why we have this disparity in employment.

I just want to make one other point. Clearly, Indian health programs are going to have to be looked at carefully because the costs are going up so fast because of things like diabetes. To have small increases will not be sufficient. We have to find some other very major, major approaches to Indian health.

I yield at this point to the chairman.

Senator STEVENS [presiding]. Thank you very much. I am sorry if I fouled things up. I did not notice that vote.

Senator DOMENICI. Yes; you were way past the time on it.

Senator STEVENS. Yes; and I am one who usually complains when people are late.

Senator DOMENICI. Did your vote count? I mean, was it the deciding vote? It was close.

Senator STEVENS. No; I don't think so.

TPA TASK FORCE DISTRIBUTION

I am a little bit disturbed about what happened this last year. We did have a $24 million increase. It was split evenly between 12 BIA areas.

Now we intended that that was to be used to try to bring about greater equality in the way that the TPA had been allocated in prior years.

Why did you decide to just split it 12 ways to the regions, rather than to deal with the needy tribe concept which was spelled out in the report?

Mr. GOVER. Mr. Chairman, as you know, the committee last year chose to require us to set up a task force for the allocation of those resources involving four people from each of the 12 BIA areas.

Putting that many people in a room, each with a particular point of view and particular interests to advance, it simply was not possible to develop an allocation that would have reflected that, quite frankly.

Had the decision been left to myself and the deputy commissioner, it would have been much different.

Senator STEVENS. You had the authority, the basic authority, under the compromise we reached at our conference last year for the Secretary to make the distribution if the task force recommendations were unacceptable.

I should think anyone would have called that unacceptable, to just take $24 million and divide it up into 12 areas without regard to need.

Mr. GOVER. Mr. Chairman, we interpreted the requirement differently.

What we understood the statute to be saying is if a majority of the task force identified a particular allocation, then we did not have the discretion to say no. We had to allocate it that way. It was only if the task force failed to produce a majority interpretation that we could have, that the Secretary could have taken the task on himself. And, as I say, the allocation would have been much different.

Senator STEVENS. I warned at the time the BIA decided that there were 227 tribes in Alaska that we were in a new era of rising

expectations. Each one of these groups now expects to be treated the same as the Navajos.

Are they going to be treated the same as the Navajos?

Mr. GOVER. No, sir.

Senator STEVENS. Why?

Mr. GOVER. The reason the Navajo Nation gets the percentage of BIA funds that it does—and I should add that the Navajos don't feel that they get a fair percentage of the BIA funds—is because they are the largest reservation in the country. They have a variety of land-based allocations and they have the largest service population.

Senator STEVENS. They don't have the largest amount of land.

Mr. GOVER. Yes; they do, Senator. In terms of actual reservation land, the Navajo is the largest reservation.

TRIBES IN ALASKA

Senator STEVENS. It is the largest reservation land, yes. But if you recognize all of these 227 villages as being tribes, they have a lot more land than the Navajos do. But it is not reservation.

Mr. GOVER. That is correct. It is not considered Indian land.

Senator STEVENS. But their needs, in terms of unemployment, in terms of isolation, in terms of education, health, and travel, are a lot worse. I really think that you ought to go back and look at the definition of tribes for Alaska. Those individual villages were never recognized as tribes even by the Alaskan natives themselves. Several villages made up one tribe.

But you have recognized each village as being a tribe, and now each village expects to get money from the Tribal Priority Allocation Fund. Have you looked at that? Are they going to get that money? Is it going to be based on need or just upon the fact that they are a tribe?

Mr. GOVER. Right now, each of the tribes in Alaska receives funding on the basis that they are considered, that they fall under the small and needy designation.

Now I would remind the committee that the small and needy designation was not a creation either of the committee or of the Bureau of Indian Affairs, but of a task force that Congress required to be established to look at issues of this type and for the BIA to implement those recommendations.

What the task force recommended was that we created a designation called "small and needy tribes" and specifically said that each tribe should get $160,000 as the bare minimum funding required to establish a tribal government but that in Alaska they should get $200,000.

Now last year in the appropriations bill, what the bill said was each small and needy tribe shall receive at least $160,000. So that is precisely what we allocated to Alaska.

Now with the additional $23 million that the task force was allowed to allocate, that resulted in an additional $4,000 per village in Alaska. Our request for next year would increase the total for each village in Alaska to approximately $175,000.

I agree with you that the need is profound there and that we do not do an adequate job at this time. The problem is, as I am sure

you have heard before, there are so many other needs in Indian country as well that basically, we leave everybody short.

Senator STEVENS. Have you taken any money away from the tribes that are getting all of this money from gambling?

Mr. GOVER. We have not, sir. We lack the authority, frankly, to go out and say you must give us your money back because these are awarded on the basis of formula and the formula at this time does not include any accounting for revenue of any type that the tribe might receive.

Senator STEVENS. Thank you. I have taken too much time.

Senator Dorgan.

TRIBAL PRIORITY ALLOCATION SYSTEM

Senator DORGAN. Would you conclude, based on the information that you have and the discussion you heard earlier with the GAO that the TPA system is a mess?

Mr. GOVER. Well, I think that for a solid majority of the tribes it somehow reflects an equitable distribution. There are undoubtedly anomalies and they were created in many different ways. A good many of them, frankly, involve various line item appropriations that were made over the years.

Remember if the Congress were to tell us to give an extra $20,000 to tribe X to conduct a nutrition program, we give them the $20,000 in the fiscal year and it becomes a part of their base. So they get it year after year after year. There are so many examples of that sort of appropriating that, to the extent that these anomalies are carried forward, that is the genesis in many cases.

Senator DORGAN. You know, having had a hearing on this and having tried to understand who gets what, I'll tell you, I think the fact that no one can explain the basis for the base funding of the TPA suggests to me that there is something horribly wrong with it.

I am supposed to be on a conference call right now with the BIA and the Indian Health Service on a different issue. So I am going to just be brief.

SCHOOL FACILITIES

The Senator from New Mexico asked the question about unemployment and so on. I just wanted to say that the conference call I am going to be on is about a school down in Standing Rock that is closed. The sign outside says "Caution, Contains PCS's." The kids have been in a gymnasium now for 2 months and the light fixtures are leaking PCS's. They have also found dioxins. This is quite a mess.

I am trying to sift through all of that.

I say to the Senator from New Mexico that I was on two Indian reservations last week and toured a number of schools, one of which I spoke about on the floor yesterday, Cannonball. It is a public school but is on a reservation, a public school district. This is a school that is 90 years old. It has been condemned. The central building has been condemned. Classes are crowded. There is not 1 inch between the desks. The desks have to be flush. There are 8 foot by 12 foot classrooms.

The choir room has to be abandoned a couple of times a week because sewer gas backs up and the stench is too bad. There are 145 kids and 40 workers in the school. There are two bathrooms and one water fountain.

It is in deplorable condition.

Now one asks about a second grader in that school. Is the second grader in that school system having the same access and same opportunity as a second grader in some other school? No; I don't think so.

So that is part of my question and it gets to the point we made. We must do better to invest the resources to fix these schools, the BIA schools and the other schools around the periphery that do not have the tax base.

Let me just finish with one question, Mr. Chairman.

Senator STEVENS. Sure.

Senator DORGAN. The conference call I am supposed to be on is supposed to have started 5 minutes ago. It's on this PCB question. We have worked through this for a couple of months now.

I know you are trying hard, but it is so hard to get through the bureaucracy of the BIA and the Indian Health Service on some of these issues. You are new to this job, but do you understand the critical need that exists in some of these areas? I think you do because you have taken some tours and you seem concerned about it.

For example, we must get the Standing Rock Reservation school fixed. These kids should not be in gymnasiums. They ought to be in schools. The school's front door ought not be boarded up. If there are light fixtures leaking PCS's, which is a carcinogen, we should get in, fix it, do the testing and get it done.

Can you respond to that because, as I said, I am going to be on a conference call trying to coordinate between you and the Indian Health Service on this issue?

Mr. GOVER. Obviously, I agree with all of that. Now my understanding is that they pulled all the ballasts in that school and have replaced each and every one of them. I think there may be some remaining questions about whether in doing the sampling there are any remaining PCS's in the building. But I think the Bureau actually responded quickly to that one.

Senator DORGAN. It did and then said it was done. But, in fact, they came back in and moved the kids back in. Then they moved them back out. Then they are saying there needs to be testing and the IHS says it is not our job. The BIA also says it is not our job. In the meantime, the kids are in the gymnasium and the school still has a sign at the door, and apparently there are still light fixtures leaking PCS's.

Mr. GOVER. Senator, I will look into that but that is not my understanding. We replaced all of them as soon as we heard about it. Not only that, we have directed our facilities management people to go check all of the other schools of that vintage to be sure it is not happening anywhere else.

Senator DORGAN. I know you did that. I am just saying that—and this is a problem we constantly have—I am not sure the area office actually followed through to make sure that the problem got resolved finally.

I understand that I am dealing with a specific issue and you are up here on the largest question. But let me add my voice to the concerns of the chairman and the Senator from New Mexico. We need to address these issues of education investment. You cannot invest money we don't give you and we need to do better than we have done. The administration needs to do better not just in education investment but if you take a look at the health care side that they sent up here, it is pitiful. It is so far short of the need.

Now that is not what this hearing is about, but we need to do better in these areas.

I appreciate your coming here today. You are new, and I want very much to help you succeed in your job. I hope I can be a part of that success and that we can do the right things for you.

Mr. GOVER. Thank you, Senator.

TRIBES WITH SMALL POPULATIONS

Mr. Chairman, could I add just one other comment. I know Senator Dorgan had a particular interest or concern about the one and zero member tribes.

Senator STEVENS. Yes.

Mr. GOVER. GAO would have seen our allocations to the areas and, indeed, for each of those tribes we send money to the area office indicating that there is an allocation for each of those tribes.

Before those tribes can receive the money, they have to submit a plan on how it is all going to be spent and it all has to be spent within certain parameters. In fact, the tribes with few members or no members have not received any of the funds because they are not acting as governments. So we are not sending money out to individuals. I just wanted to assure you of that.

We were aware of the existence of those and long before I arrived the Bureau had developed procedures for seeing that money was not sent to those individuals where there was only one or two people on the reservation.

Senator DORGAN. We can maybe resolve that today. The GAO seemed to say no, that was not the case, that they felt in circumstances with few or one they would get a minimum allocation. You are saying that this is not the case?

Mr. GOVER. As I say, we send money to the area office, and were that individual to organize that situation and give us a plan for spending those funds on appropriate purposes——

Senator DORGAN. What if they do?

Mr. GOVER. Then we would approve the funds and allow that person to run the tribal government.

Remember, we are not in a situation where we can look at a federally recognized tribe and on our own say you are no longer a federally recognized tribe.

Senator DORGAN. But there would be a pretty powerful incentive for one, two, or four people being able to do that, wouldn't there?

Mr. GOVER. Sure.

Senator DORGAN. Do they do that?

Mr. GOVER. They have not done it. They have not done it because it would be unlikely to be approved. I mean, what they would have to do to establish an actual working tribal government is probably more trouble than it is worth.

Senator STEVENS. Senator Burns.

SCHOOL FACILITIES

Senator BURNS. Thank you very much, Mr. Chairman.

I was up to Brockton, MT, the other day. That is up on the Fort Peck. We have the same situation at Fort Peck that he has over in North Dakota, where we have a school that has just fallen down around the heads of the students there. They are crowded and there is a library that both the elementary and the high school students use. They don't even have chairs and are sitting on the floors.

I am wondering and am concerned about the amount of money we are spending on education. Personally, I think we waste so much money on other areas on the reservations that it is unbelievable. It is not a shortage of money. It is just a shortage of priorities of where we put the money.

I don't know whether that could be done at the BIA level or whether it is going to have to be done at the congressional level in order to address that. We have two schools that have completely outgrown themselves. One is at Boxelder, and, of course, that is pretty close to the Rocky Boy. And one is up there in Brocton. Whenever you send your budget down, it really grieves me that we just got a $24 million increase as far as education and education facilities.

Mr. GOVER. Senator, I wish we could have asked for more. I wish that the IHS budget were more as well. I guess I would not agree that we are wasting money elsewhere. But clearly we don't get enough resources for these schools.

I did not have an opportunity earlier, but I know that the Budget Committee, under Senator Domenici's leadership, has made a suggestion that the amount devoted to Indian schools be doubled.

I will just say that we will spend every dollar well that you send us in that regard.

Senator BURNS. I am going to be very supportive of his suggestion because I know that we are still, in Montana, part of the isolated part of it. We are not next to a big commercial operation, as far as that goes.

I think we have to look at the operations of our reservations and say OK, the amount of young people coming out of those schools and how they are educated is way below the standards of the United States of America, as are the facilities in which they are going to school and how they are living.

We have to look at ourselves and ask is it working. Is it working and do we have to make some changes, maybe even some structural changes as far as the way we deal with this problem, in some way or other?

EDUCATION INSTRUCTIONAL PROGRAMS

Mr. GOVER. Senator, this may be one of those rare cases where the structural changes have been made and the educators have developed the education program. I think the actual instructional programs at the schools are strong.

From what I saw out there, these schools are indistinguishable from elementary and high schools in any other part of the country except that the buildings they are in are deteriorating badly.

Senator BURNS. Have you run through any figures? What are we spending per student on our reservations for education?

Ms. MORRIS. It is a little over $3,000, and this is according to a formula which is called a weighted student unit. So it is about $3,000, a little over that. The national average is actually much higher than that. The national average is close to $6,000 for academic programs, not dealing with the construction issues.

Senator BURNS. That is outside of construction issues?

Ms. MORRIS. Yes; excluding construction dollars. Yes.

Senator BURNS. Thank you very much, Mr. Chairman.

Senator GORTON [presiding]. Thank you.

I understand that Senator Stevens has another question.

Senator STEVENS. Mr. Chairman, I welcome you back and I am sort of glad that this is your headache first. [Laughter.]

TRIBAL PRIORITY ALLOCATIONS

Let me say before I leave that I hope we will agree there will be no more task forces, that we are going to change this law regarding tribal priority allocations, and that we will not provide any money for tribes that are obviously self-supporting. There is no demand that is legitimate on the Government and taxpayers for tribes that have adequate money. That ought to be determined by whether or not there is any per capita distributions.

I really cannot believe we should be providing tribal allocations to tribes that are already having per capita distributions of surplus funds derived from functions such as gambling.

I congratulate you for getting into this, Senator Gorton, and I think we ought to have a meeting with the Indian Committee to resolve some of our differences before we go to the floor with a major bill this year.

Thank you.

Senator GORTON. Thank you.

Senator Domenici, have you had a chance to complete your questions?

Senator DOMENICI. No; I have not.

Senator GORTON. Then please go ahead.

Senator DOMENICI. Thank you very much.

Mr. Secretary, I did not mention, other than inferentially, that you were not only new on this job but that I saw a kind of spirit developing around the BIA that reflects your enthusiasm and hope that we can do a better job. I hope this year that we can work constructively together. I don't think you can get everything you want, but I think some of us want to get you more than the President asked for, especially in the education field, and I think we can find some ways to work on that.

WATER RIGHTS NEGOTIATIONS

I would ask you if you would not mind looking specifically at this issue. Some of the New Mexico Pueblos are very upset about the lack of funding in the Albuquerque office for water rights negotiations. I don't want to go into a long litany, but, as you know, we

are allocating money for water rights negotiations to other States. It looks like four of our Pueblos are in dire straits. They are going to be right in the middle of some negotiations that are going to determine their future, and there are no resources in the Albuquerque office for that. I would just ask if you would take a look at that situation and I will insert my question into the record and the details of it.

Mr. GOVER. Yes, Senator. We will look at that.

We know that the allocation to Albuquerque is not sufficient, and we have been supplementing that with some central office funds for that specific purpose. We know as you know the *Jicarrilla* case has just settled and there has been a lot of opportunity to settle the *Taos* case as well. I would just emphasize that when we are able to settle tribal water rights in a basin, that creates certainty for everyone, not just the tribes.

EDUCATION

Senator DOMENICI. I have a whole series not only of questions but of statements that would precede questions regarding the entire gamut of education. I think we all understand that for a very long period of time we have been encouraging, and have succeeded to some extent, the getting of our Indian young people into public schools. That was difficult at first, but it is working reasonably well.

That is reality and the problems there are generic, rather than just Indian problems. These students are in the public schools, the problems with the schools that we are left with running, both the public schools, the Indian colleges, and the community colleges that are Indian driven—I think, Mr. Secretary, the whole thing needs a tremendous analysis from somebody on what in the world we are doing.

You mentioned the disparity of what we are spending per public school pupil in Indian country versus the public school system and you mentioned $6,000 versus $3,000. Those are almost the identical numbers which show what we are spending on Indian colleges for Indian students in Indian colleges versus what other students in America are receiving, and what we are paying for students in non-Indian colleges.

How are we going to continue this approach? It seems that somebody has to sooner or later say that we either cannot run the colleges this way and we have to find another way to educate our children, or we have to assume that they can be educated on $3,000 when their counterparts are costing everybody else to educate the same kind of person in the same fields twice as much. In some cases it is more than twice as much.

We are going to try to get more money, but I think there has to be an analysis of just where are we going. Are we kidding ourselves that some of our Indian youngsters are not going to get a good education if we are going to continue with this sham of half-funding in a sense?

NEEDS BASED ANALYSIS

Mr. GOVER. Senator, one of the things we are undertaking is to do a needs based analysis on the reservations.

Now the witnesses from GAO pointed out that neither the Congress, nor the administration, nor the courts, nor anyone else has ever really said here is what we are trying to accomplish with this Federal funding in Indian affairs in terms of at what point have we succeeded, at what point are these communities receiving services that are deemed adequate, and where, under the treaties, when compared to other rural jurisdictions and compared to the Nation at large, where do we draw that line. That is one of the things we are going to try to do, to analyze that and try to establish sort of a mark that we are shooting for.

Now in the case of the students, you were asking earlier why is there this endemic problem of poverty. Well, part of the reason it seems to me and in watching these tribal programs operate is we give them just enough to keep them alive, just enough to keep them alive and never enough to prosper. That is true not just for education but for every element of the various programs that the Bureau has administered.

That is not just true now; it has been true as far back as we care to trace it, really. So we do have to ask some real basic questions about what we are trying to accomplish in Indian policy and have those objectives reflected in our financial decisions.

TRIBAL COMMUNITY COLLEGES AND VOCATIONAL SCHOOLS

Senator DOMENICI. I wonder if, as part of that, you might have somebody objectively analyze what kind of education they are getting in these community colleges and Indian colleges. We keep trying to get them funded. We get a little bit more here and we add a building there, and even EDA has built some of their vocational buildings because there is no other place to get money.

I think it would be good to know whether the education that our Indian people are getting in those institutions is up to par, or is it the most inferior in the country. Why would we keep on doing this to the Indian people if, in fact, the system is not a worthwhile system?

We cannot keep saying that we are going to double the amount of money. Where are we going to get the doubled amount? Sooner or later some of us are going to try to double the amount.

EDUCATION AND UNEMPLOYMENT

Do you know why we are keeping good teachers there? It is amazing, but that is one area where there still is some credibility. It is because we passed a statute not too many years ago that pegged what we pay the teachers to what we are paying teachers in our Government schools overseas that educate our military kids. We said whatever we are paying them, let's pay the Indian teachers. If we had not done that, we would still be running around with 50 percent less than parity and asking what is happening to our Indian kids.

Maybe some of those arbitrary things that neither Slade Gorton, as a legislator, nor Pete Domenici likes to do—we like to do it in a more rational way—have to be done. Sooner or later we have to face up to this kind of situation, and part of the unemployment problem is because of what we are discussing here. It's not the whole thing, of course. Part of it is, too, that the private sector can-

not operate on Indian reservations. It is very hard for them, and the Indian leaders do not quite understand how they have to adjust or they refuse to. So we have two societies. We have a private sector society 15 miles away from an Indian reservation with 3,000 unemployed people, and nobody is going to go and locate on the reservation with private money. We don't know whether the Indian people want that yet.

Those are dichotomies that are just obvious to anybody around—if they are not educated, it does not matter because they cannot get jobs. So we are going in a vicious circle.

I have detailed the needs in statements that I am putting in the record. I hope you will look at them and give us some answers. They are about both public K through 12, they are for colleges, for community colleges and vocational schools. Sooner or later we have to make some sense out of it with the Indian leadership joining right along with us.

There are a number of specific areas we just have to consider. For example, we have a school that burned down and we cannot get its replacement on the priority list. Kids are being bused way over to a public school and have been for 4 years. They are housed in some makeshift building, and we cannot get it on the priority list because you don't have enough money. The priority is already there. You have 12 schools waiting and they have been waiting for 10 years.

So those are things that are not working, Mr. Secretary.

I applaud you for leaving your previous life to take this on for a while, and I did not in my statements intend to make your job harder. I think you know that in no way am I trying to do that. I am trying to be helpful. Let's see if we can get something done.

Thank you.

Mr. GOVER. I have always appreciated your support, Senator.

Senator DOMENICI. Thank you, Mr. Chairman.

Senator GORTON. Thank you, Senator Domenici.

First, I want to apologize for the time that we have cost all of the witnesses here, first by votes that were scheduled after our starting time and then for other matters that occupied my own time. I do greatly appreciate your tolerance and your waiting.

Second, I have a printed opening statement here. It may already have been included in the record. If it has not been, it will be.

We are not going to keep you much past noon, so I am going to have to submit a number of questions to you as well. But I would like to talk about a couple of philosophical questions, not dissimilar to what Senator Domenici has asked. You already, in part, have answered one of them.

INDIAN AFFAIRS LEADERSHIP

I want to say that I really appreciate your candor. We are getting straight answers now in a way that has not always been the case in my experience with this. I am delighted that you are on the job, and everything I hear tells me that you are doing very well in a situation that cannot help but be tremendously frustrating to all concerned.

FEDERAL FUNDING FOR INDIAN PROGRAMS

A year ago, when we were last here, Senator Bennett, who is not here now, recounted a moving personal experience he had as a foster parent to an Indian foster daughter. He posed a series of eloquent questions with respect to the Bureau and to Indian policy in general. I am going to, if I can, simply repeat the questions that Senator Bennett asked last year to see what kind of answers we have from Ada Deer's successor.

I start from the proposition that with all of these shortages we give the BIA some $2 billion a year. In total, according to the Office of Management and Budget, Federal spending on Indian programs is about $7.5 billion a year, funding that serves about 1.2 million Indians who are also eligible for most other State and Federal programs.

If my arithmetic is correct, that is something over $6,000 per capita in these programs, and it is in addition to other fundings that they are eligible for simply as American citizens.

Senator Bennett asked Secretary Deer last year what she thought the result of all the spending is or should be. Her response was essentially that she envisioned the Indian tribes as having the basic standard of living comparable to the rest of the U.S. population. She remarked that we need to invest more in education and health services so that the tribes will be able to march into the 21st century with hope.

Now I agree with those statements and I think Senator Bennett did with respect to living like, for that matter, all Americans. In response, Senator Bennett asked, and I quote him from last year:

> So the long-term goal is to raise the standard of living without making any attempt to bring the Indian population into any kind of integration with the rest of the population of the country?

What would your answer be to that question of Senator Bennett last year?

Mr. GOVER. My answer is that these communities have to make that choice for themselves. I think that they are increasingly integrated just by the nature of the encroachment, if you will, of the surrounding communities. Indians no longer live quite in the isolation that they once did.

FEDERAL INDIAN POLICY

But the one thing that we promised them and the whole centerpiece of Federal policy from the very beginning is that these communities would be allowed their existence. If they should choose to give it up, if they choose to integrate with the rest of the population, so be it. But I believe strongly that it is their choice to make.

Senator GORTON. That is their choice to make, but that even if they make the choice to remain in their own communities, there is an obligation to try to see to it that their standard of living is roughly equal to the average of other Americans.

Mr. GOVER. I think that is a fair measure. Yes.

Senator GORTON. But we are faced with the fact—you have this challenge, we all have this challenge—that, in fact, their standard of living is probably the lowest of any distinguishable socio-eco-

nomic group in the United States. Does that indicate to you, as I must say it does to me, that 150 years of American Indian policy have been an overwhelming failure?

Mr. GOVER. Clearly. Clearly 220 years of Indian policy has been a failure.

I was thinking as you were speaking, Senator, that the governmental resources that go into an Indian community may or may not be roughly the same as would go into a non-Indian community. What is missing on the reservation is a private sector contributing to the well-being of the population. So $6,000 per capita into a non-Indian community is an awful lot more money when it is on top of a very active and vibrant private sector. Those private sectors for the most part do not exist on the reservations.

Senator GORTON. But might it not be appropriate to say that the private sector has a much more difficult time on an Indian reservation in the absence of private property in the sense that we know it on the outside?

Mr. GOVER. It depends on what you mean. I think Senator Domenici was talking about the reluctance of the private sector to invest on Indian lands.

I was a lawyer for a number of tribes for a number of years and I understand that reluctance. It all has to do with the special legal status that the tribes have.

Now what I found in dealing with those folks is, once they understood what the problems were and that they could be dealt with in a very predictable way, they were willing to invest and, in fact, would invest. But the sort of great mass of the private sector simply does not know. And why go to a remote and somewhat mysterious little community that you don't know very much about as opposed to going to places that you know and where you do understand all the rules? It takes a unique entrepreneur to want to do that.

Senator GORTON. But presumably if the social and political circumstances are favorable, it can be very profitable for that entrepreneur. It can be a win/win situation for both sides of the situation.

Mr. GOVER. It can and it has in a number of situations.

I should answer, respond to one element about private property. There have been efforts throughout history, throughout the history of Federal Indian policy to privatize tribal assets. The results have never been very good. In fact, as bad as things went at various points in the more—I'm not sure how to characterize it, let's call it the experimental times in Indian policy, the Indian Reorganization Act, the Indian Self-Determination Act—things did not go well. But they went an awful lot better than they did in the termination era or in the allotment era.

So every time we have tried to detribalize the Indians, we have made matters worse.

Senator GORTON. Following up with Ms. Deer, Senator Bennett asked about the possibility that separate Federal funding of tribes would ever cease. Senator Bennett compared the situation to the role of the United States in Europe following World War II under the Marshall Plan, when we invested a lot of money and then left economically.

I guess I ask you will tribes ever embrace self-sufficiency as an element of self-determination?

Mr. GOVER. I think a number of them do. The answer is yes, in my opinion.

I think right now one of the problems, not to get too philosophical, is the tribes right now and for the last century have lived in an era of scarcity. So any single Federal dollar or any dollar of any type, it is very frightening to them to lose it. And even those who are finding enormous success right now are probably finding it a little bit hard to believe and are worried that it may be gone tomorrow.

INDIAN GAMING

In fact, in the case of gaming, it could be gone tomorrow were the Congress to change its policy in that regard.

But I think as the tribes begin to sort of enjoy prosperity and we have a generation of people who have seen nothing but success, I could easily imagine a day where a tribe just says I don't think we need this money anymore, or at least that there are places that need it more than we do.

I am working with some of the tribes that are doing well at the moment in sort of making that request of them to allow us to spend that money in places where it is much more needed than it is in their community.

Senator GORTON. We are getting to the next series. I think it was a week ago yesterday that the Washington Post reported on a dispute involving an Indian casino and noted that the Shakopee-Sioux of Minnesota each earn an estimated $600,000 a year from their gambling operations. The Pequots in Connecticut are another example.

Do you know how many tribes make per capita distributions?

Mr. GOVER. It's under 30. That is our latest information. Mr. Chairman, I will answer it that way, but I will also reserve the right to go back and add to that answer.

Senator GORTON. Please do so. It is a serious question and it would be good to have it in the record.

[The information follows:]

INDIAN TRIBES MAKING PER CAPITA DISTRIBUTIONS

Based on information obtained from the General Accounting Office, there are 44 tribes that make per capita distributions. These tribes are listed below. The per capita distributions are made from a variety of sources, ranging from trust fund expenditures, general fund expenditures, litigation awards, enterprise distributions, and gaming revenues.

AREA AND TRIBE

Minneapolis:
- Saginaw Chippewa.
- Sac and Fox Tribe of Mississippi in Iowa.
- Ho-Chunk Nation.
- Prairie Island Community.
- Lower Sioux Indian Community.
- Stockbridge-Munsee Community.

Phoenix:
- Fort McDowell Mohave-Apache.
- Ute.
- Las Vegas Paiute.

Cocopah.
Fallon Paiute-Shoshone.
Ak-chin Indian Community.
Fort Mojave.
Eastern:
Seminole Tribe of Florida.
Coushatta Tribe of LA.
Eastern Band of Cherokee.
Penobscot Indian Nation.
Seneca Nation of Indians.
Passamaquoddy, Joint Tribal Council.
Portland:
Yakama Indian Nation.
Confederated Tribes of Colville Reservation.
Confederated Tribes, Warm Springs Reservation.
Cow Creek Umpqua.
Sacramento:
Barona Group Capitan Grande.
Soboba Band of Mission Indians.
Morongo Band, Mission Indians.
Table Mountain Rancheria.
Trinidad Rancheria.
Self Governance:
Hoopa Valley Indian Tribe.
Confed Salish and Kootenai Tribes.
Cabazon Band, Mission Indians.
Bois Forte Reservation Tribal Council.
Redding Rancheria.
Squaxin Island.
Aberdeen:
Standing Rock Sioux.
Flandreau Santee Sioux Tribe.
Three Affiliated Tribes of the Fort Berthold Reservation.
Winnebago Tribe of NE.
Albuquerque:
Ute Mountain Ute.
Mescalero Apache.
Southern Ute.
Pueblo of Laguna.
Anadarko: Cheyenne-Arapaho.
Billings: Eastern Shoshone, Wind River.

PROFITS FROM BUSINESS VENTURES

Senator GORTON. I asked your predecessor and I ask you now why it is not appropriate for Congress to consider the profits that tribes make from each of their business ventures in determining how much money the taxpayer should distribute to those tribes for their basic governmental activities.

FUNDING FOR INDIAN PROGRAMS

Mr. GOVER. As to certain matters, Senator, it clearly is appropriate. It already is done. One-third of tribal priority allocations are not distributed on a formula basis. They are distributed on a need basis. So a community that has no need for general assistance, or for housing improvement, or does not meet the criteria for our roads program, does not receive any of those funds.

There is another category of expenditures that goes directly to the Federal trust that is acknowledged, basically our responsibility for trust property, be it money, water, land, et cetera. Clearly, that should not be withdrawn simply because it is a Federal obligation to do that.

That leaves a third category of funds that I believe really are discretionary and do not necessarily reflect a legal obligation of the United States but, instead, are sort of based on historical factors and historical conditions that may no longer exist.

Senator DOMENICI. Mr. Chairman.

Senator GORTON. Yes?

Senator DOMENICI. Would you yield for an observation and a question?

Senator GORTON. Of course.

PRIVATE SECTOR BUSINESS ON INDIAN RESERVATIONS

Senator DOMENICI. First of all, I think you are familiar with the lengths we went to to try to encourage the private sector to establish itself on Indian lands and hire Indian people. Five years ago in a tax bill we passed for the first time a major incentive package for Indian country.

I have tried it on with private sector people who were thinking of moving to a city that is not Indian. I say: if you had these credits—accelerated depreciation, 20 percent credit on your corporate tax for salaries paid to employees earning $25,000 or less so long as the business was in this town—would you move here?

Nobody will turn you down. That is beyond anything anybody is offering businesses to move from one location to another or to expand.

There is another benefit in there also that I have missed, but those two are enormous.

Now it is very interesting to me. In fact, as you speak here, I am wondering if I might impose on the Secretary. I wonder if you might try to find out—though I don't think you can—how many businesses and Indian tribes have availed themselves of this law. It was in one of the Omnibus tax bills.

The reason I raise this is because I do believe that when you see such a generous incentive for private sector movement to the reservations—and this is my assumption with you and my enlightened guess—the use is going to be found to be principally, Mr. Secretary, the building of facilities and using the accelerated depreciation, so that they are building an office center next to a city and that is going to yield rent. They get to accelerate the depreciation so significantly that they will choose an Indian reservation or between Albuquerque and Santa Fe. If you build one of those trading marts and you build that on Indian land, you get almost double the depreciation, so that is a very attractive place to move it.

When it comes to a call center that might need 150 people to use telephones, even if we had 700 qualified Indian people, the question is would they consider it with the accelerated depreciation and the overwhelming credit against income tax that nobody else gets. The answer is probably no. That is what we have to look at.

Senator GORTON. The difficulty there, of course, is the difficulty that we have in State competition for new enterprises.

Sure, people will take that. But in a sense it is a zero-sum game. The business that takes advantage of these tax advantages is not located somewhere else where it is going to contribute to the tax base of a community. True development is going to come when you can win on the basis of equal opportunities in both places.

Senator DOMENICI. What I am suggesting is that none of this is going to work to pull a business out of a place and move it to another. It is going to be where they want to expand. That expansion is occurring all over the country. Some are choosing your State, my State, and you offer incentives as we offer incentives.

I know you would like to have zero incentives on the tax side and have it all stand on its own, or maybe you would, I gather.

Senator GORTON. We have just gone through debate over this Nucor Steel Corp., that is playing Washington and Oregon, and I think also Idaho and California, like a drum over who will give it the greatest number of incentives. Interestingly enough, our legislature decided to tell them to go somewhere else, that we were not going to give them a competitive advantage over others. It's easier to do when you are doing very well, as we are.

Senator DOMENICI. Yes; I was just going to say that.

Senator GORTON. There is no question about that.

Senator DOMENICI. But, Mr. Chairman, the point I am making is that Congress did decide and there were very few objectors to a 10-year program—it is not forever—to see whether this would work.

Senator GORTON. Your question as to let's see how it will work is a very good question.

Senator DOMENICI. Yes.

Can you try to do that, Mr. Secretary?

Mr. GOVER. We will try to do that.

Senator GORTON. I think that will be a fascinating answer, to see what, in fact, has taken place as a result of it.

[The information follows:]

INCENTIVES TO ENCOURAGE PRIVATE SECTOR BUSINESS ON INDIAN RESERVATIONS

Issue: Can the Bureau report how many non-Indian business enterprises have taken advantage of tax incentives in an Omnibus Budget Reconciliation bill by relocating to Indian reservations?

Response: The most recent compilation of returns on IRS Form 8835, showing employment tax credits, totaled 88 returns. Accelerated depreciation is not broken out to show which enterprises are on Indian reservations. This information came from Brian Francis at the IRS Statistical Information Service, 202/874–0410.

TPA TASK FORCE DISTRIBUTION

Unfortunately, I have another 12 o'clock appointment and I have not gotten into tribal priority allocations except incidentally. But you know how disappointed we were, and I think you were disappointed, in what took place last year with the division of the $24 million general increase when, in effect, we just finessed need and divided up evenly. That is an issue that is not going to go away, Mr. Secretary, as you know. And you have described three different ways in which we deal with some of these moneys, depending on their source and the degree of obligation in connection with them.

But I do not think it is supportable at this point in our history, and with the needs that Senator Domenici has talked about for education and the like that do not deal directly with the governmental activities of Indian tribes, where we are going to come up with that extra money for education is something I would like very much to do, but I don't know.

Senator Domenici, with my strong support, has not passed a budget resolution that is going to allow us to come up with the President's recommended budgets. I am not going to get an allocation for this subcommittee that equals what the President has come up with.

Senator DOMENICI. In its totality.

Senator GORTON. Yes; in its totality. That's right.

That seems to me to tell us that we need to be spending our money more wisely and on more urgent priorities than we have done in the past. In this respect, we are not going to be able to do it right unless you, in the position you are in, give us a way to distribute money for TPA in a more equitable fashion than we have in the past—equitable among the various Indian tribes and Nations, where history has led us to a position that is truly irrational. We must determine whether or not either some of that money that is going where it is not so greatly needed should go to other TPA needs or whether it should go to another Indian program, like those that Senator Domenici is talking about.

We don't have an awful lot of time to do that and to do it right. To go through another year in which we just squeeze everything down and have the same kind of conversations we have had here today, as we had a year ago, another year from now I don't think is serving the taxpayers well, I don't think it is serving the Indian community well, and I don't think it is serving anyone well.

So I am going to have to submit the rest of these questions to you in writing. But to help us come up with a way to take this large amount of money—obviously you cannot necessarily talk about the $7.5 billion, but the $2 billion or so—and see to it that it gets spent to meet the goals that you outlined in an answer to my earlier question, or comes closer to meeting it, in my opinion is the highest priority we have.

Mr. GOVER. Senator, we will look forward to doing that. We would like to work with you on some short-term priorities for fiscal year 1999. I think there are a few small things that we can do to begin to make TPA more clearly reflect the need out there.

For the long-term, before you arrived, we described an effort we are undertaking to conduct this study of need and now to evaluate need on a consistent basis across the country. Once we know what that figure is, we can, I think, better understand what our priorities ought to be.

Senator GORTON. I must say that I have a great deal more confidence in the BIA under your leadership than I had previously seriously to address that subject and seriously to come up with that. If I get the commitment in the course of the next year that we will get that broad set of recommendations, I will be happy to work with you on the small, temporary fixes this year. We will try to come out at the same point.

Senator Domenici, if you have anything more, you can stay and ask as many questions as you want.

Senator DOMENICI. I have no more. I just wanted to stay around and listen to your last remarks that you just made. They are wonderful.

In Indian country, they are going to be very excited to hear what you just said.

We thank you very much.

ADDITIONAL COMMITTEE QUESTIONS

Senator GORTON. All right, thank you. 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.]

GENERAL ACCOUNTING OFFICE

ADDITIONAL COMMITTEE QUESTIONS

In your statement you said that Congress might want to consider (1) financial information for all tribes, (2) more complete information on the financial resources of the tribes, and (3) more reliable information.

Question. How can Congress collect this information? What changes to the law would allow this?

Answer. Congress could enact legislation to collect more complete information. Such legislation could require each federally recognized tribe to annually provide an audited comprehensive financial statement to the Bureau of Indian Affairs (BIA) as a pre-condition of receiving Tribal Priority Allocations (TPA). These statements could be required to conform to generally accepted accounting principles, include operations of all activities and programs directly or indirectly controlled by each tribe and its sub-units, and report income from business enterprises. Such information could be made available to the Congress when needed.

The GAO regularly evaluates and comments on Federal programs at Congress' request.

Question. Is the GAO confident about Congress' expenditure of about $800 million per year for the BIA TPA program? Is this a good program?

Answer. Although these questions are beyond the scope of the work we conducted, our work does raise concerns because BIA could not articulate reasons for how the base funds—about $500 million last year—were distributed. And while the non-base funds—about $250 million last year—were generally distributed on the basis of specific formulas, we did not evaluate those formulas to determine how effectively they addressed tribal needs and relative priorities. To further address these questions, we would want to better understand the goals and performance measures that BIA has identified for TPA, as well as the tribes' needs and relative priorities for TPA funds. BIA sees TPA as a way to pursue Indian self-determination, and we did not try to determine how well it is succeeding in this regard.

Question. What constitutional or other legal barriers are there to Congress legislating financial reporting by the tribes?

Answer. Congress has the authority to enact legislation requiring federally recognized tribes to annually provide financial statements as a pre-condition to receiving TPA. Before enacting such legislation, Congress may want to carefully analyze and consider its impact on other legislation and, if appropriate, the process by which TPA funds are presently distributed.

BIA METHOD OF APPRAISING RENT VALUE OF INDIAN LANDS

The Committee is concerned that the BIA process for appraising the rental value of Indian lands fails to appraise accurately those lands at the preset fair annual rental value. In particular, a previous GAO study reported that the BIA appraisals of the rental values of idle lands within the Yakama Indian Reservation in Washington State were unrealistically high. These appraisals undermine the ability of Indian tribes wishing to rent lands to market their lands at competitive prices. Further, these flawed appraisal practices place unwarranted financial hardship on lessees. Last year, the Committee included report language directing GAO to conduct an audit and provide recommendations on the BIA method of appraising the rent value of Indian lands by April 1—three weeks ago.

Question. Has the GAO completed that audit?

Answer. GAO has not begun this audit, due to staffing constraints. We discussed our staffing constraints with congressional staff in November 1997 and again in January 1998; we agreed at those meetings to defer the start of this work until after we finish our current review of TPA or additional staff become available. Additional

staff did not become available, and we now plan to begin this work in June 1998, shortly after our TPA report is issued.

Question. When can we expect to receive the completed study?

Answer. After GAO begins its work in June and gains enough knowledge to develop our proposed audit approach, we will meet with the congressional staff to discuss our preliminary observations and to determine our reporting timeframes.

Question. Do you know what the GAO's recommendations will be?

Answer. Not at this time.

QUESTIONS SUBMITTED BY SENATOR COCHRAN

Question. In determining how the Tribal Priority Allocations have historically been distributed, what criteria did you find for defining "need" in a tribe?

Answer. Determining criteria for defining tribal needs was beyond the scope of our review. While Interior officials noted that adjustments to TPA base funds may have been made over time in consideration of specific tribal circumstances—which could include identifying tribal needs—criteria for making such decisions were unclear. Non-base funds consider tribal needs through distribution formulas identifying factors such as the number of miles of roads (for road maintenance funds), but we did not evaluate those formulas to determine how effectively they addressed tribal needs and relative priorities. The 1994 BIA task force recommended that tribes with fewer than 1,500 members receive at least $160,000 in TPA funds (or $200,000 in Alaska), which in effect used these dollar criteria to define the "needs" of small tribes to develop basic self-government capacity; however, we did not find any analysis regarding the appropriateness or basis for these criteria.

Question. Are factors such as land value, population, law enforcement, and schools variable enough among tribes to be considered in addition to revenue?

Answer. Of these factors, our statement addressed only variances in service populations, which ranged from a low of about 42,000 Indians in the Billings area to over 225,000 Indians in the Navajo area. Interior officials told us that differences in TPA funds between areas could reflect differences between tribes in the extent of their land holdings, their responsibilities for law enforcement, the scope of government services they provide, and their tribal memberships.

QUESTION SUBMITTED BY SENATOR BURNS

Question. What can we, as Congress, do to ensure that funding uses are being reported correctly by the BIA and the tribes themselves?

Answer. Congress can continue to encourage accurate reporting by BIA—and, in turn, by the tribes—through its budget and oversight hearings. In addition to reporting under the Single Audit Act, tribes are also monitored by BIA to assure compliance with contract provisions, where applicable.

BUREAU OF INDIAN AFFAIRS

ADDITIONAL COMMITTEE QUESTIONS

PROTEST IN WARD VALLEY

In February 1996, Deputy Secretary Garamendi announced that the Department intended to conduct additional testing on BLM land in Ward Valley before deciding whether to transfer the property to California for a low-level radioactive waste disposal facility. These tests have now been indefinitely postponed because of the illegal occupation of the Ward Valley site by protesters, who are alleged to be members of the American Indian Movement.

All Federal rangers have been withdrawn from the area. For the past six weeks, the protesters have refused the BLM access. Senator Murkowski, Chairman of the Senate Energy and Natural Resources Committee, has sent two letters to Secretary Babbitt, inquiring of him the details of the Department's plans to resolve the matter. As I understand it, the responses have been less than enlightening.

Question 1. What role has the BIA had in any of the activities going on at Ward Valley?

Answer. Assistant Secretary Gover is conducting government-to-government consultations with the tribal leadership of the Quechan, Colorado River Indian Tribe, Cocopah, Fort Mojave, and Chemehuevi Tribes.

Question 2. Who are the protesters, and are they recognized Tribes?

Answer. Aside from members of the five Tribes listed above, the Department cannot confirm the identities of the protestors. However, individuals identifying themselves as representatives of the American Indian Movement and environmental organizations are known to be among the protesters on site at Ward Valley. The Department is in government-to-government consultations only with the leadership of the five Tribes mentioned above.

Secretary Babbitt, in his letter to Chairman Murkowski dated April 20, 1998, said we are engaging in "government to government consultations" with the criminal trespassers on federal land.

Question 3. Why are we negotiating with criminal trespassers on federal land?

Answer. The Department supports a peaceful resolution to the conflicts at Ward Valley that avoids confrontation and will allow permitted activities to proceed. The Department believes every effort must be made to resolve the situation peacefully, through means which do not raise the potential of physical confrontation and possible violence and injury.

Question 4. Is any of the land at issue recognized by the federal government as tribal land?

Answer. The land at issue in Ward Valley is owned by the federal government. None of the land is tribal land.

Question 5. Why has Assistant Secretary Gover been called to the site to negotiate?

Answer. Assistant Secretary Gover is assisting the Department to reach a peaceful resolution to the conflicts at Ward Valley in a way that avoids physical confrontation.

Question 6. Has the Department consulted with, or sought the assistance of, the Department of Justice?

Answer. No assistance has been requested from the Department of Justice. The Department has provided information on the status of the situation to the Department of Justice (DOJ) in the context of DOJ representation in several lawsuits related to the Ward Valley site. The Department did have informal contact with the Community Relations Service of the Justice Department and advised them of the situation. BLM also has notified the office of the United States Attorney, Central District of California, and the FBI to inform them of the trespass situation. Again, the Department desires to resolve the situation in a manner that avoids confrontation through government-to-government consultations. Under these circumstances, the Department believes that the situation does not require at this time the assistance of the DOJ.

A copy of a memo prepared by a staff person with the California Department of Health Services was forwarded to my staff. In that memo, the staff person said he had been to the site twice, and was accompanied at least once by a BLM Ranger, who identified at least one of the vehicles being driven on and off the protest site by protesters as a BIA vehicle.

Question 7. Are BIA vehicles being used by the protesters?

Answer. No, to our knowledge, BIA vehicles are not being used by the protesters on the Ward Valley site.

Assistant Secretary John Berry sent a memo to the Acting Inspector General on March 27 requesting an immediate investigation into the tribal protests at Ward Valley. Mr. Berry specifically noted that there might be legal limitations applicable to appropriated funds. I can assure you that there are limitations on what Federally appropriated funds can be used for.

Question 8. What is the status of the Inspector General's investigation?

Answer. The Inspector General is actively pursuing the investigation requested by Assistant Secretary Berry. Because the investigation is currently open, the Inspector General is not in a position to comment further at this time.

TRIBAL PRIORITY ALLOCATIONS (TPA)

As Federal resources decline, the other resources of the tribes might have to be considered when Congress is forced to choose among them for Federal funding. As the Federal discretionary budget shrinks, I believe the Tribes with the least and the fewest opportunities should get the most Federal assistance.

Last year, I tried to direct the BIA to develop a new allocation method for TPA funds, which are distributed based on historical funding levels bearing little if any relation to current needs. In the end, the Congress agreed to a compromise in which the increase was distributed based on recommendations of a Task Force of tribal leaders from each BIA area.

It was disheartening to learn that the Task Force recommended splitting the $24 million general increase equally 12 ways among the 12 BIA areas. Thus, for exam-

ple, the 227 tribes of Alaska had $2 million to spend and the only Tribe in the Navajo Area, the Navajo Nation, had $2 million to itself. I was hopeful that the Task Force would have developed some better recommendations.

Question 9. The Secretary had the authority under the compromise language in section 118 to make the distribution if the Task Force was unable to get support from a majority of Task Force members. Although a majority did agree to the split, not all members support the split. Did the 1/12th split make sense to you?

Answer. The Assistant Secretary understood section 118 to say if a majority of the Task Force identified a particular allocation, we did not have the discretion to say no. It was only if the Task Force failed to produce a majority interpretation that the Secretary could have taken the task on himself. Had the decision been left to the Assistant Secretary and the Deputy Commissioner the distribution would have been much different.

I understand that a number of other proposals were discussed by the Task Force, although none were adopted.

Question 10. Did the BIA or the Task Force keep records of these proposals and the factors that the area representatives suggested be considered?

Answer. The Bureau taped the initial Task Force meeting.

Question 11. Do you believe that consideration of some of the factors, like population, land base, joblessness, and other tribal financial resources, would make good sense in developing a new distribution method?

Answer. The Bureau of Indian Affairs and the TPA work group have discussed each of these factors as variables to consider in a new TPA allocation system. It is important that we realize this situation is complex. While it seems to make sense to relate job training or adult vocational training to joblessness, if the reservation is remote relative to job opportunities, the success of training may be limited. With the other variables such as land base and population, what is important for program funding distribution is what is on the land base and the composition of the population. It does not make sense to give forestry program funding on land base, if the land has no forests. Likewise, it does not make sense to distribute housing improvement funding on population, when a tribe does not have housing improvement needs.

The relevance of other tribal financial resources is also complex. In the case where the Tribe's wealth comes from a legislated settlement that states the settlement is not to be considered in future appropriations, the Bureau intends to follow that law. However, the Assistant Secretary is attempting in fiscal year 1999 to get certain of the most prosperous Tribes to voluntarily return their allocations of TPA funds to be redistributed to the most needy Tribes. The Committee can assist by including language in the fiscal year 1999 Appropriations bill that assures Tribes that the return of TPA funds in no way diminishes a Tribe's rights and relationship with the Federal government.

CONTRACT SUPPORT COSTS

Following enactment of the Indian Self Determination Act, it became the policy of the government to contract to the Tribes that want to participate the functions of the Bureau that are not inherently Federal. Later, it was decided that Tribes should get, in addition to the funds that would have gone to the agency to provide the service, additional overhead money—hence "contract support." So, today, it costs the Federal government more to have the Tribes provide BIA services than if the BIA had provided these services—significantly more. The BIA has requested $114.9 million for contract support costs in the fiscal year 1999 budget, a $9 million increase over fiscal year 1998 funding.

Question 12. Is the request sufficient to fully fund contract support costs, and if not, what is the estimated shortfall?

Answer. On page BIA–59 of the Bureau's fiscal year 1999 Budget Justifications, is a table that displays the estimated shortfall expected in fiscal year 1999. The total need for fiscal year 1999 is estimated to be about $128.3 million while the amount requested for contract support is $114.9 million. This leaves about a 10 percent or $13.4 million shortfall.

The budget request includes an increase of $4 million and includes an internal transfer of $5 million from the Indian Self-Determination Funds, for new and expanded contracts.

Question 13. Is the estimated shortfall related totally to existing contracts for ongoing programs, or is the Bureau anticipating entering into new contracts with Tribes to take over Bureau programs, despite a growing shortfall?

Answer. The estimated shortfall is related totally to existing contracts for ongoing programs. Tribes contracting new or expanded contracts receive their contract sup-

port funds from the Indian Self-Determination (ISD) Fund. The ISD fund is distributed on a first-come, first-served basis, until exhausted. If funds are not sufficient in a particular fiscal year, the new contractor must wait until the next year to receive their contract support funds from the ISD Fund. Funds are transferred annually from the ISD Fund to the contract support line item for existing contracts for ongoing programs.

It now costs the United States more to pay for the programs for the Indians than it did when the Bureau provided the services to them. Most people, it seems, have come to grips with this fact, although they may not agree with it. However, most accept it, having been led to believe that, at some point in the future, costs will come down—the Indians will have taken over all of the programs, and will be running them smoothly and efficiently.

Question 14. As discussions among lawyers for the Tribes, the Bureau and Committee staff have grown in response to the crisis, that certainty—that ultimately this is a good deal for the government in that the total costs will come down—has evaporated. Do you think that the policy of providing contract support costs over and above the program funding is fiscally responsible? Will costs to the Federal government ever decrease?

Answer. Providing contract support costs over and above the program funding is fiscally responsible, as recognized in the 1988 amendments to the Indian Self Determination Act. Congress recognized that the funds the Tribes were receiving for running the same programs were less than what the the Department was using overall to administer the same programs. Bureau-operated programs are supported by other programs within the Bureau budget. The direct program funds for Bureau operated programs do not include the cost of GSA rental space, telephones, postal costs, insurance, retirement, etc. These are the types of costs Tribes receive through contract support.

Question 15. Despite being unpopular, why doesn't it make fiscal sense to stop extending new contracts if the Bureau doesn't have the money, and knows it doesn't, to support them?

Answer. Such a decision is not within the authority of the Bureau of Indian Affairs. Congress enacted Public Law 93–638 as amended, which allows Tribes to contract Bureau programs at any time. Promoting self-determination is the core of the Bureau's mission and the first and most important of its Strategic Plan Goals. To deny Tribes the opportunity for self-government/self-determination goes against the government-to-government policy the federal government has with Indian Tribes. Such a policy change would deteriorate or destroy the government-to-government relationship the federal government has developed with the Indian Nations of this country.

The Bureau is in litigation on several fronts regarding shortfalls in contract support costs funding. Recent Federal court decisions from the D.C. Circuit, the Tenth Circuit and the Oregon District Court have held that contract support costs are an entitlement of sorts. One case, in particular, Ramah Navajo Chapter v. Lujan, in the 10th Circuit, has been brought to the Committee's attention. In part, the holding required BIA to pay contracting and compacting Tribes support cost shortfalls of other Federal or State programs. Thus if a state or another Federal agency does not fully fund contract support, BIA has to make up the difference.

Question 16. What is the status of the contract support cost litigation? Is BIA appealing these decisions?

Answer. There are currently two pending cases involving contract support. In the first case, Ramah Navajo Chapter v. Lujan, the Department did not appeal the decision rendered by the US Court of Appeals, 10th Circuit. The Department is currently in partial settlement negotiations with the class of plaintiffs in Ramah Navajo Chapter. In the second case, the Department has requested that the Department of Justice support an appeal of the decision by the Interior Board of Contract Appeals (IBCA) in the consolidated appeals of Alamo Navajo School Board, Inc. and Miccosukee Corporation. In Alamo Navajo the IBCA ruled that the language included in the DOI Appropriations Bills in fiscal year 1994–1998 capping contract support costs did not limit the Department's liability to fully fund contract support costs.

Question 17. What is the status particularly of the Ramah case? Why did the BIA and the Justice Department decide not to appeal the decision? How much is a settlement of Ramah going to cost the government?

Answer. The Government is now in the process of negotiating a partial settlement agreement with the plaintiff class which will settle the claims from fiscal year 1989 through fiscal year 1993. Plaintiffs have reserved their claims from fiscal year 1994 through fiscal year 1998 pending a final determination in Miccosukee Corporation. The Department estimates that the partial settlement agreement will be completed

this summer. Because settlement negotiations are ongoing and because the class has reserved some of its claims, the cost of settling the case is currently unknown.

The law requires that the settlement come from the Judgment Fund. Further, the law provides that the Judgment Fund be reimbursed from the operating funds of the Federal agency found liable—in this case, the Bureau of Indian Affairs.

Question 18. From the BIA's perspective, were the Tribes well-informed by their attorneys or the Bureau that the settlement of a lawsuit for contract support costs would ultimately come from the budget of the very agency on which they rely for the bulk of their Federal support? Who is going to get rich from this litigation?

Answer. The Bureau assumes that Plaintiffs' attorneys were well-informed that under the Contract Disputes Act the Department may be required to reimburse the Judgment Fund either from available funds or by obtaining additional appropriations for this purpose. Plaintiffs' attorneys were also informed that if the Department is required to reimburse the Judgment Fund without a supplemental appropriation for this purpose, appropriations for the Operation of Indian Programs Tribal Priority Allocations will be impacted. No one is expected to get rich from this litigation.

Question 19. The law is settled in this area, wouldn't you agree, that the settlement must be repaid from the Bureau budget?

Answer. Under the Contract Disputes Act, a judgment against the United States that is paid out of the judgment fund shall be reimbursed "by the agency whose appropriation were used for the contract out of available funds or by obtaining additional appropriations for such purposes." 41 U.S.C. §612(c).

Question 20. How is BIA dealing with the crisis?

Answer. Because Ramah Navajo Chapter deals with other agency short-falls in the payment of contract support, not BIA short-falls, the Department is exploring various avenues for determining the extent to which other agencies may need to share in reimbursing the Judgment Fund. In addition, the Department has discussed with Treasury the option of repaying the Judgment Fund over a period of years instead of out of a single year's appropriation budget.

Question 21. Do you believe the Bureau has an obligation to bring to Congress a proposal on how the government will deal with contract support in the future?

Answer. The Assistant Secretary is addressing the issue of contract support funding and plans to present a permanent solution to Congress in the fiscal year 2000 budget.

Question 22. Do you have a proposal for the Committee? Will you be able to provide one to us for fiscal year 1999?

Answer. Please see the answer to question 21.

Question 23. Does the BIA intend to submit a request for new bill language that it feels will be sufficient to reduce its liability? What is the status of a long term solution from the Department or the Bureau? In the absence of a solution or knowledge of the total liability for past and current shortfalls, why shouldn't contracting and compacting be held flat?

Answer. Yes, new bill language is included in the President's fiscal year 1999 budget to reduce liability exposure. The Assistant Secretary is forming a work group to develop options for a long-term solution to the issue of contract support funding. Holding contracting or compacting flat or placing a moratorium on new contracting under Public Law 93–638 is not possible under current law. Public Law 93–638 gives Tribes and tribal organizations the option of whether and/or when to contract. Any limitation of that would not only be seen as counter to the Administration's policy of supporting and strengthening tribal self-determination, but would require substantive amendments to Public Law 93–638.

In your testimony before the Indian Affairs Committee in February, you noted that there are "some disparities in the contract support requests that are made by the Tribes."

Question 24. Could the BIA be more specific about what disparities exist?

Answer. The Assistant Secretary was referring to the disparity found in the wide range of indirect cost rates that Tribes and tribal organizations have negotiated. The issue of how indirect cost rates are estimated and negotiated will be examined by the Assistant Secretary's work group referred to in the answer to question 23.

Question 25. What is the current method for determining contract support costs?

Answer. The Bureau utilizes tribal indirect cost rates negotiated with the Office of the Inspector General to determine the amount of contract support recipients are eligible to recover. In a very small percentage of cases where Tribes or tribal organizations cannot negotiate rates, the Bureau negotiates lump sum amounts.

Question 26. Is a single formula applied to all Tribes? To all programs? What are the factors considered?

Answer. No single formula is applied to all tribal contractors. Rather, indirect cost rates as negotiated by the Office of the Inspector General (OIG) are used as the basis for determining contract support costs. Once the OIG negotiates a rate with each Tribe, this rate (percentage) is applied to the direct program amount. In instances where the appropriated amount available for contract support costs does not meet the overall contract support needs for the fiscal year, each contract support recipient shares in that shortfall on a pro-rated basis.

Question 27. What government branch, if any, assists the Bureau in evaluating contract support costs?

Answer. The Department of Interior's Office of the Inspector General independently negotiates the indirect costs rates which are used as the basis for estimating contract support requirements.

LAW ENFORCEMENT IN INDIAN COUNTRY

The Administration has identified law enforcement in Indian Country as a top priority. Secretary Babbitt addressed the need in his remarks to this subcommittee several weeks ago. The Administration is proposing $182 million in new funding for several initiatives—most of it in the Department of Justice accounts. The Department of Justice has proposed $157 million for targeted law enforcement programs in Indian Country ($105 million) and for Indian detention center construction ($52 million).

Funding in the BIA budget for general law enforcement initiatives for fiscal year 1999 is proposed at $116.9 million, including a $25 million new initiative and $71.5 million in TPA.

Attorney General Reno and Secretary Babbitt submitted the Final Report of the Executive Committee for Indian Country Law Enforcement Improvements to the President on January 20, 1998. In that report they recommended the removal of law enforcement funds from the TPA accounts and establishment of law enforcement as a distinct line item in the Interior budget. The President's budget was completed before the submission of the recommendations of the Attorney General and the Secretary, and so, could not reflect the recommendations of Attorney General Reno and Secretary Babbitt.

Question 28. Does the Bureau support the recommendations regarding the removal of law enforcement funding from TPA and establishment of a protected line item in the Bureau budget?

Answer. The intent behind the joint position of the Secretary of the Interior and the Attorney General as outlined in the January 20, 1998, correspondence to the President was to ensure that funds specifically provided for the law enforcement line item were not redistributed to other competitive TPA programs during a given fiscal year. The Bureau supports this position. However, rather than transfer funds from the TPA Law Enforcement line item, the Bureau proposes to implement administrative controls on fund allocation by making the Office of Law Enforcement Services (OLES) responsible for the distribution of funds. In this regard, OLES, will have budgetary control of funds to ensure that law enforcement funding levels in fiscal year 1999 are only utilized for law enforcement needs and priorities. Tribes are supportive of this approach, which would preserve TPA funding and yet provide necessary line authority and budget control to OLES.

Additionally, this procedure is also in line with Option A of the Final Report of the Executive Committee on the Presidential Initiative on Law Enforcement in Indian Country to consolidate the budgetary authority under OLES. Utilizing this administrative procedure—which is currently followed by the Bureau in the distribution of other TPA funds as Contract Support and Welfare—will accomplish the intent of the two Cabinet members to ensure that law enforcement funds remain allocated for law enforcement purposes as well as modifying the budgetary authority as proposed under Option A.

Question 29. How does the Bureau intend to implement the recommendations that law enforcement funding be removed from TPA and consolidated in a separate line item?

Answer. As stated previously, to ensure that TPA law enforcement funds are utilized for law enforcement purposes, the budgetary authority for distribution of these funds will be consolidated under the OLES as outlined in Option A of the Final Report of the Executive Committee on the Presidential Initiative on Law Enforcement in Indian Country. Many Tribes have expressed concern for any movement of funds out of TPA. We believe the Bureau will accomplish the goal of ensuring that law enforcement funds are utilized for law enforcement purposes through the aforementioned administrative control of fund allocation through the OLES. Distribution of TPA law enforcement funds will then be under the direction of experienced, profes-

sionally trained law enforcement personnel who can provide professional law enforcement assessments of relative needs and priorities. Therefore, this change in administrative procedure will accomplish the goal of ensuring that law enforcement funds are utilized for law enforcement needs and priorities as well as implementing the consolidation of budgetary authority as included under Option A.

The Final Report from the Secretary and the Attorney General stated that "mechanisms must be put into place to ensure that law enforcement funds are used only for law enforcement purposes.

Subcommittee staff have informed me that the Office of Management and Budget have said that "no TPA is protected." In other words, if law enforcement funds are provided in TPA, Congress cannot dictate that the Tribes actually use the funds for law enforcement. I understand also that Assistant Secretary for Policy, Management and Budget, John Berry, was asked about this and he agreed with the OMB.

Question 30. What "mechanism" does the Bureau intend be employed to ensure that the law enforcement funds are used for law enforcement?

Answer. The Bureau will implement administrative procedures to consolidate the budgetary authority under the OLES similar to the fund control procedures in place for distribution of other non-base TPA programs such as Contract Support and Welfare. The OLES will be responsible for distribution of all law enforcement funds appropriated to the Bureau of Indian Affairs.

In addition to the TPA funding, the Bureau has requested $25 million in the *Special Programs and Pooled Overhead Activity for a new initiative on "improving law enforcement in Indian Country."*

Question 31. Does the Bureau support moving the TPA funding to the Special Programs account? Is this what Secretary Babbitt and Attorney General Reno had in mind in their recommendation?

Answer. As stated previously, the intent behind the joint position of the Secretary of the Interior and the Attorney General as outlined in the January 20, 1998, correspondence to the President with regards to removing funds from TPA was to ensure that funds specifically provided for the law enforcement line item were not redistributed to other competitive TPA programs during a given fiscal year. The Bureau supports the position of ensuring that law enforcement funds provided under Tribal Priority Allocations (TPA) are utilized for law enforcement needs and priorities. It is felt this can be accomplished by implementing the consolidation of the budgetary authority of these funds under OLES as outlined in Option A along with administrative controls which restricts movement of these funds out of the TPA law enforcement line item. These controls will be similar to those currently in place for non-base TPA programs like Contract Support and Welfare. Additionally, in keeping in line with Option A, the Bureau is consolidating the remaining law enforcement funds currently at the Area [1] and Central office [2] levels to the Special Programs activity.

At the Indian Affairs Committee hearing on the fiscal year 1999 budget, Assistant Secretary Gover stated: "We haven't fully determined how we'd allocate the funds for law enforcement, but we suspect that it would not be unlike the way we're allocating the other funds in the Tribal Priority Allocations."

Question 32. In light of the Attorney General's and Secretary's recommendations, does the BIA now have a *different plan for the intended use of BIA law enforcement funding it can share with the Committee?*

Answer. With attention currently focused on improving the distribution methodology of Federal monies to Indian Tribes, the BIA plans to distribute the $25.0 million request based on analysis of law enforcement and detention needs in Indian Country. Combined efforts by the BIA and the DOJ are underway to contact Tribes to obtain the latest data available to analyze and evaluate need, focusing in such areas as population, land base, crime statistics, training, manpower/staffing, and equipment. This data will allow the BIA to complete a professional law enforcement assessment of relative needs and priorities. The assessment will allow funding decisions to be made based on identified law enforcement and detention needs. The Initiative is a multi-fiscal year effort and, considering the extreme needs at some locations, priorities will be established.

Question 33. Will Tribes in Alaska, which is a Public Law 280 state, be able to take advantage of the Administration's focus on law enforcement for Natives?

---

[1] Funds currently at the Area level in the budget category, Area Office Operations are as follows: Law Enforcement.

[2] Funds currently in other accounts than Special Programs at the Central Office level are as follows: Non-Recurring Operations: Special Law Enforcement and Central Office Operations: Law Enforcement.

Answer. Alaska Native Tribes may apply for grants offered by the DOJ. Village public safety personnel are eligible for training programs offered through the Indian Police Academy. Currently, the Bureau does not provide any law enforcement services in Alaska. In fiscal year 1999, the Bureau will address the severe shortages in Indian Country where there are tribal or Bureau law enforcement and detention programs and where there is clear tribal/Federal criminal jurisdiction. Many tribes in Public Law 280 or like jurisdictions have expressed their desire to have their own police, courts and jails. While we certainly agree that criminal justice systems are a part of tribal government, the reality is that public safety is extremely costly, particularly in 280 jurisdictions which lack entire systems.

EDUCATION CONSTRUCTION

The President's budget request includes $86.6 million in education construction, an increase of $32.2 million. Within that, the budget proposal includes $37.4 million for Replacement School Construction, an $18.2 million increase, and $46.2 million for Facilities Improvement and Repair, a $14 million program increase.

Funds are requested for three Replacement Schools, Sac and Fox, Pyramid Lake, and Seba Dalkai.

Question 34. The backlog for school repair and replacement work is $695 million. How long does the Bureau anticipate it will take to get through the backlog at the rate we're going?

Answer. The Bureau's Facilities program backlog of repair and rehabilitation was $695 million at the beginning of 1998. However, "replacement" of existing schools that have exceeded their original design life are not considered in the $695 million figure. Rather, the facilities backlog figure of $695 million is based on repair and rehabilitation of existing facilities to meet current health and safety related codes and standards such as fire, electrical, mechanical, etc. However, over 50 percent of the Bureau funded schools exceed 30 years in age, and a large percentage need to be replaced as a result of age and condition, but also because of increased student load and the fact that schools do not meet modern education needs. The Bureau estimates that it would cost, at a minimum, $1.0 billion to replace the Bureau schools that have exceeded their design life, and further, it would take an additional $200 million to bring the other schools up to present standards.

Excluding replacement, it would take over 15 years to address the existing education backlog of $695 million at the proposed fiscal year 1999 budget request level of $86.6 million. If replacement of all schools qualifying was considered, it would exceed 20 years. This estimate takes into consideration that additional backlog deficiencies will continue to be added to the backlog annually as new needs are identified and as current backlog items in the BIA's database for funded replacement schools are totally eliminated from the backlog once the replacement construction is completed.

Question 35. How many schools are still on the Replacement School Construction Priority List?

Answer. There are eight schools on the BIA's Replacement School Priority List which remain unfunded. Three of these eight schools, Sac & Fox, IA (No. 10), Pyramid Lake, NV (No. 11), and Seba Dalkai, AZ (No. 9) are being requested in the Administration's fiscal year 1999 budget request.

Question 36. Does the Bureau intend to get all the way through the priority list before publishing a subsequent list?

Answer. The Bureau is reviewing a plan to recommend to Congress for new applications for replacement school construction in early fiscal year 1999. Newly prioritized schools under this application process will be added to the existing list of unfunded replacement schools. The Bureau plans on consulting with Tribes and school boards during the summer of 1998 regarding changes to the priority setting process with proposed rulemaking planned for the latter part of 1998. It is anticipated that approximately 10 schools will be added to the replacement school priority list.

Last year, we added bill language permitting the Tribes to use Tribal Priority Allocations funds for the replacement and repair of school facilities so long as the work is approved by the Secretary and completed with non-Federal or TPA dollars so that the Federal government isn't later responsible for finishing something started with other, more plentiful, resources.

Question 37. Do you know if any Tribes have taken advantage of that language, which the Bureau retained in its request for this year?

Answer. FMCC conducted a poll of the Area Facilities Offices regarding any contribution made by Tribes of TPA funds toward a major facility replacement or repair

project. No instance of TPA funds having been contributed was determined at either FMCC or the Area Office level.

When Congress pays for a Replacement School, it is because the existing school has been used beyond its life expectancy? Usually, the school facility is in deplorable condition by the time funding is available. However, after the Replacement School is built, in many instances the Tribe wants to keep using the old building for other purposes.

Question 38. In the instances where a Tribe chooses to keep an obsolete school building even after a replacement is built, is the Bureau still responsible for upkeep?

Answer. In instances where a Tribe chooses to keep an obsolete school building after it has been replaced, the Bureau is not responsible for the building's upkeep (i.e., facilities operation and maintenance). Buildings declared "excess to Bureau needs" are either sold, demolished or transferred to tribal ownership on an "as-is" basis. When buildings are sold or transferred, the Bureau relinquishes its liability for the building.

The budget request for Education Construction also includes $3 million for Employee Housing Repair.

Question 39. The budget justifications state that corrections are necessary for about 300 housing units. How many Bureau employee housing units are there, in total?

Answer. There are a total of 4,031 Bureau housing units.

Question 40. How many of the Bureau school employees are tribal members?

Answer. The table below is an analysis of teaching professionals employed at Bureau schools.

TEACHING PROFESSIONALS EMPLOYED AT BUREAU SCHOOLS

	Non-Indian	Indians	Total	Percent Indians
Teachers (1710 series)	767	935	1,702	55
Substitute teachers (1712 series)	32	79	111	71
Teachers aides (1702 series)	36	1,332	1,368	97
Totals	835	2,346	3,181	74

The total number of Indians within the Bureau school system is 74 percent, with non-Indians representing 26 percent as of June 9, 1998.

Question 41. What percentage of Bureau employees live in local community housing?

Answer. Of 10,000 Bureau employees, 2,700 live in Bureau employee housing units and 7,300 (or 73 percent) live in local community housing. Local community is defined as all locations where bureau Central, Area, Agency or School personnel reside, not limited to those communities where Bureau employee housing is available. Housing for the 7,300 employees not in Bureau employee housing units is obtained and paid for by those employees. Bureau employees are defined as all education and non-education full time equivalent personnel. Not included are tribal contract, grant or compact personnel.

We have required agencies to certify that there is no housing available in the local community before allowing the agencies to construct government housing.

Question 42. Does the Bureau require any certification that there is not housing available in the local community before building or leasing housing?

Answer. The Bureau requires an approved certification and justification prior to any new housing construction. The Bureau also complies with the requirement under OMB Circular A–45 for a housing needs assessment prior to any new construction. Because of the remote nature of many locations such as those in Arizona, New Mexico, Montana, North Dakota, and South Dakota, there is often little or no private housing available.

TRIBALLY CONTROLLED COMMUNITY COLLEGES

The President's budget request includes an increase of $5.5 million for Tribally Controlled Community Colleges operating grants, for a total of $35.4 million. This would represent an 18 percent increase.

At the Indian Affairs Committee hearing on the BIA fiscal year 1999 budget in February, Mr. Gover referred to the tribal colleges program as being one of the "most effective programs that the Bureau funds".

Question 43. How does the Bureau measure the effectiveness of the tribal colleges program? Does it consider how many students graduate with marketable degrees? Placement rates?

Answer. As part of the Bureau's strategic plan, performance indicators were established for Tribal Colleges. The indicators are student graduation and student enrollment rates. A measure of institutional effectiveness is the annual accreditation process each college must successfully complete and sustain. To be accredited, tribal colleges must meet general institutional standards established by the Commission on Institutions of the Northern Central Association of Colleges and Schools. These requirements include having: legal authorization to grant degrees, governing boards that possess legal powers to establish policies, qualified faculties appropriate to the level of instruction offered by the institution, a certified financial system and an audit every two years; and conferring degrees based on recognized fields of study at the higher education level. An accredited college must also disclose its standing with accredited bodies with which it is affiliated. An independent team appointed by the Commission reviews the school's programs and decides on a school's accreditation status. The Office of Indian Education Programs does not collect college graduate placement data.

One of the Bureau's Performance Goals in "Goals 2000" is to increase student graduation rates from Tribally Controlled Community Colleges. For fiscal year 1998, the statistics show that there will be, roughly, 21,000 enrolled students. The Bureau expects to graduate a total of 932, according to the budget justifications.

Question 44. Shouldn't about one-quarter of the student body be graduating in any given year? That would be over 5,000. Why are less than 5 percent graduating?

Answer. In any given institution of higher education, less than 25 percent of a given year's student body will be graduating. TCCC students have similar reasons for not graduating as students enrolled in comparable two-year institutions. Some of these reasons range from indecision on college majors, early employment opportunities, inadequate financial aid due to student enrollment classification of less than 12 credit hours per semester, or change of family responsibilities. Many TCCC students enroll in their tribal colleges for specific course work to enhance and improve their job skills and not necessarily desire to or obtain a college degree. TCCCs enrollments reflect a significant level of part-time enrolled students causing an extended graduation date other than an anticipated two-year academic plan.

In past years, I have asked the BIA to comment on the standardized test taking (SAT, ACT) of Indian students at the high school level—which BIA has called "optional".

Question 45. Do the TCCCs require standardized test scores for admissions? How do the schools screen potential students? Are they graduating students who will succeed in America?

Answer. Standardized test scores are not required of students enrolling in TCCCs. Most colleges have an open admission policy. This means that all persons who are graduates of accredited high schools or have received GED Certificates and are at least 18 years of age are eligible for admission. Students who have not attained a GED or high school diploma may seek provisional admission under the ability to benefit status. Since the goal is to prepare students for work or higher education, they are evaluated on their level of performance and then take classes to prepare them for their goal.

Question 46. Are all the tribally controlled community colleges accredited by the States where they're located?

Answer. Tribal colleges comply with strict standards of mainstream accreditation associations. The TCCCs are accredited by regional accrediting organizations such as the North Central Accreditation Association. Several colleges, including Turtle Mountain Community College and Fond du Lac Tribal and Community College, have reached the highest standards set by the accrediting agencies that enable them to be placed on a 10 year cycle for accreditation.

Defenders of larger increases to funding to the Tribally Controlled Community Colleges bring up the comparison of $2,800 spent per tribal student compared to roughly $4,200 spent per student at non-tribal community colleges.

Question 47. Is the comparison fair, when non-tribal community colleges collect the amount they spend on each student from, in addition to the state, the communities they serve and students who attend? About what percentage of tribally controlled community colleges' funds come from federal funding alone? How many tribally controlled community colleges have a tuition comparable to that of non-tribal community colleges?

Answer. The comparison of per student expenditures for tribal and non-tribal community colleges is complicated. While both types of schools compete for teachers and seek to provide quality programs, tribal colleges face many unique challenges, including being located in geographically isolated areas serving low-income communities.

The intent of Public Law 95–471 was to provide base funding for tribal colleges. The colleges have always been allowed to seek additional funds for their operation. In fact, to stay competitive, tribal colleges charge tuition and seek other funds to provide quality education services and meet accreditation requirements. On average, when a TCCC charges tuition it is far below that charged by non-tribal community colleges. Also on average, approximately 50 percent of the operational funds for TCCCs are from the Federal government.

Question 48. Tribes are permitted to allocate TPA dollars to the tribal colleges. If it's important to them, would you recommend that they do so? Hasn't the BIA told the Navajo to do just that for the Crownpoint Institute of Technology in New Mexico?

Answer. In the spirit of tribal sovereignty and self-determination individual Tribes establish individual priorities for their own communities to distribute their TPA funds. Congress also provided Tribes complete reprogramming flexibility with revised reprogramming guidelines beginning in fiscal year 1993. If asked to make a recommendation, OIEP would encourage the expenditure of funds on education programs.

UNITED TRIBES TECHNICAL COLLEGE

At the Indian Affairs Committee hearing in February, 1998, Senator Conrad asked Mr. Gover about his commitment to the tribal community colleges program, which Conrad identified more specifically by noting that the BIA is requesting a $5.5 million increase for fiscal year 1999.

Mr. Gover responded not by talking about the tribally controlled community colleges for which the increase is requested but about the United Tribes Technical College, which does not meet the requirements for funding under title one of the TCCC Act. The Tribally Controlled Community Colleges Act limits funding under the BIA TCCC program to ONE school per Tribe. United Tribes Technical College is owned by five owner Tribes, each of which already has a funded Tribally Controlled Community College.

Question 49. Would the Bureau please discuss the funding issue of the United Tribes Technical College relative to the Tribally Controlled Community College program? How much earmark funding has the UTTC received over the years? What is its BIA funding history?

Answer. Unlike Tribally Controlled Community Colleges that are funded under the authorization of Titles I–IV of the Tribally Controlled Community College Assistance Act of 1978, UTTC is an independent vocational training institution funded by the Bureau under its Special Programs/Pooled Overhead activity. For the past twenty years, UTTC has received a total of approximately $31 million in Bureau appropriations. This equates to roughly $1.5 million annually, not including contract support funds.

The United Tribes Technical College is in the fiscal year 1999 budget request for $1,810,000. The UTTC program provides services beyond post-graduate education, including child care, a residential setting, and elementary education services to students' families. I'm not certain that's a proper use of funds.

Question 50. Would the Bureau comment on the purpose of the funding for the United Tribes Technical College?

Answer. Funding for UTTC supports a tribally-controlled residential vocational school which offers vocational education courses and training at the one-year certificate and two year technical degree level. UTTC is a state chartered, non-profit corporation owned by five tribes (The Three Affiliated Tribes of Fort Berthold, the Standing Rock Sioux Tribe, the Sisseton Wahpeton Sioux, the Spirit Lake Dakota Nation, and the Turtle Mountain Band of Chippewa) located in whole or in part within North Dakota. The corporation is administered by a Board of Directors composed of two members of each of these five Tribes. Located three miles south of Bismarck, North Dakota, the campus includes on-campus student housing for singles and families and on-campus day care and elementary school (K–8) services for student dependents.

My staff tell me that the funding request for the United Tribes Technical College was not part of the original Bureau request submitted to the OMB.

Question 51. If the United Tribes Technical College is a good program, why doesn't the Bureau request funding for UTTC in its initial budgets submitted to OMB?

Answer. The Bureau has supported the United Tribes Technical College for 20 years. UTTC has helped numerous adult Indians who reside on or near reservations to secure employment in economically depressed areas. The Bureau supports the President's fiscal year 1999 budget request which includes $1.81 million for UTTC.

In a 1997 report to the Committee, GAO identified UTTC as one of only three programs it recommended for rescission of BIA funding. Committee staff further understand from talking to staff at BIA, OMB and GAO that UTTC doesn't graduate very many students.

Question 52. What is the United Tribes Technical College's rate of graduation? What programs does it have? Is it a state accredited school?

Answer. The United Tribes Technical College is accredited by the North Central Association of Colleges and Schools at the Certificate and/or Associate of Applied Science level. It offers eight certificate programs and eleven Associates of Applied Science Degrees. In fiscal year 1996 and 1997, the graduation rate at UTTC has been approximately 46 percent based on 125 students who have completed their second and final year of training from enrollment of approximately 300 vocational students. It should be noted that many students have jobs and are enrolled part time, and thus require longer to graduate.

Question 53. In the BIA's opinion, is this a successful program for which BIA funding should continue?

Answer. As the President's fiscal year 1999 budget request indicates, the Bureau believes the United Tribes Technical College provides valuable services and recommends continued funding of UTTC in fiscal year 1999.

Question 54. Does the Bureau now disagree with the GAO, where it agreed before? Why?

Answer. The Bureau supports the President's fiscal year 1999 budget which provides $1.81 million for United Tribes Technical College. The Bureau fully supports the continuation of support for UTTC in fiscal year 1999. The Bureau would not support a change to the funding level requested in the President's fiscal year 1999 budget.

CROWNPOINT INSTITUTE OF TECHNOLOGY

At least one other school, the Crownpoint Institute of Technology, in New Mexico, is essentially in the same position as UTTC—another tribal college already receives funding for the Tribe it serves, the Navajo Nation, so no TCCC funding is available. The Navajo and Crownpoint have been told by the Bureau that the Navajo can allocate TPA dollars to the school if that's a priority. Each year, for the last several, Senator Domenici has requested funding for the Crownpoint Institute. And each year, I've sent him away without funding because it has been the policy of the Bureau and of the Committee not to earmark but in extreme circumstances—like in the instance of rebuilding a school destroyed by fire or other disaster. Then I learn that, for years, we've been funding an earmark for a tribal college.

Question 55. Why should one school be given an earmark and not the other one?

Answer. The establishment of Special Programs for United Tribes Technical College, National Ironworkers Training Program and United Sioux Tribes Development Corporation under the Bureau's Community Development Subactivity was the result of Congressional action. Given current fiscal constraints, the Bureau cannot support the addition of funds for any program or project that would result in the reduction of funding for other programs or projects in the President's budget. We generally oppose tribal-specific earmarks as these are usually provided at the expense of programs that benefit all Tribes.

Question 56. UTTC has five owner Tribes. Shouldn't they be given the responsibility, per the goals of self determination, of deciding to allocate TPA dollars to UTTC, if the Navajo have been told that for Crownpoint?

Answer. The Bureau supports the President's fiscal year 1999 budget which provides $1.81 million for United Tribes Technical College. The Bureau would encourage the Tribes to dedicate funds from other sources to UTTC. The Bureau supports the United Tribes Technical College at a minimal level. Working in collaboration, the college and Tribes must secure significant additional funding to maintain quality education programs.

Question 57. Why is the Bureau still requesting earmark funding for any program?

Answer. The Bureau supports the program funding levels in the President's fiscal year 1999 budget request. Generally, the Bureau does prefer to fund programs that benefit all Tribes.

According to the GAO, which identified UTTC for elimination of funding, UTTC's funding comes at the expense of funding for programs which would serve a wider population of Indians.

Question 58. Also according to the GAO, the Bureau agreed with its comments in the report. Where's the disconnect? Does the Bureau now not agree with those comments?

Answer. The Bureau supports the program funding levels in the President's fiscal year 1999 budget request. Generall, the Bureau does prefer to fund programs that benefit all Tribes.

OTHER BIA EARMARKS

The BIA budget for the last few years has contained requests for funding for two other earmark programs, the United Sioux Tribe Development Corporation and the National Ironworkers Training Program. The United Sioux Development Corporation is a job placement program and the Ironworkers Program is a vocational education program. This year, the request includes a request of $524,000 for the Ironworkers Program but nothing for the tribe job placement program.

The GAO report which identified United Tribes Technical College for elimination also identified the United Sioux Tribes Development Corporation and the National Ironworkers Training Program and stated that the BIA agreed with that assessment:

"These officials [at BIA] agreed with the proposed elimination of the National Ironworkers Training Program, United Sioux Tribes Development Corporation, and United Tribes Technical College, believing, in part, that it is much more effective to fund programs that benefit as many Tribes as possible rather than a limited number of the Indian population. They also noted that, where warranted, the funds should be provided to the Tribes."

Question 59. Do you agree with that evaluation now? If not, what has changed your mind? If so, why do these programs, with the exception of the Sioux Development Corporation, continue to appear in the budget request?

Answer. Many of these programs have been a part of the Bureau's budget for over 20 years. The Congress has provided appropriations to the Bureau for these programs over time. The Bureau supports the funding requests in the President's fiscal year 1999 budget, and will continue to examine its funding needs and priorities.

Question 60. Why have these programs been included in the requests from BIA in the past? Why did the Sioux Development Corporation suddenly lose favor? Are these programs that should receive earmarks?

Answer. Due in part to strong support from Congress, many of these programs have been a part of the Bureau's budget for over 20 years. Due to the limited availability of funds and the Bureau's many critical responsibilities for fiscal year 1999, the President's fiscal year 1999 budget does not include funding for the Sioux Development Corporation.

In the Bureau's budget justifications, the United Sioux Tribes Development Corporation is described as a program that tribes can support by deciding to allocate their TPA "Direct Employment program funds and other funding sources". The Bureau request contains nothing for this program which received $108,000 for fiscal year 1998.

Question 61. Can't the same thing—that Tribes can decide to support them with TPA and other funds—be said of the other earmarks—UTTC and the Ironworkers Training Program?

Answer. Tribes may choose to dedicate TPA funds toward UTTC and the Ironworkers Training Program.

INDIAN ARTS AND CRAFTS BOARD

The Indian Arts and Crafts Board is in the Bureau budget with a request for $932,000, a $35,000 decrease—$50,000 program decrease offset partially by a $15,000 increase for fixed costs. One of the few programs in the Bureau budget for which a decrease is requested, the Indian Arts and Crafts Board was featured in a USA Today article on February 12, 1998.

The article said that Assistant Secretary described the collection of over 23,000 pieces of pottery, sculpture, paintings, basketry and dolls as a "national treasure". Yet the article also said that thousands of the pieces of artwork are stored in the Department of the Interior headquarters—"stacked by water pipes, air ducts and

electrical lines"—so close together they cannot even be moved to inventory them for fear of damaging them.

Question 62. If these artifacts are so important to this Nation, and to the Department and the Bureau which hold them, why are they stored this way?

Answer. Contrary to the February 12 USA TODAY article, these collections are not in danger. Approximately two-thirds of the Indian Arts and Crafts Board collections are located at the Board's three regional museums: the Southern Plains Indian Museum, Anadarko, Oklahoma; the Sioux Indian Museum, Rapid City, South Dakota; and the Museum of the Plains Indian, Browning, Montana. Approximately one-third of the Indian Arts and Crafts Board collections are located in the main Interior building. A portion, predominantly paintings, of the Washington, D.C., headquarters collection is currently stored in a secured and monitored area on the mechanical floor of the main Interior building. At the time this area was created as an annex for selected items from the headquarters collection. In the early 1970's, it was common practice for Interior offices to use the mechanical floor to house office equipment, supplies, furniture, and the like. When the space was created for the Board, it was furnished with what were then considered to be museum-quality painting racks, shelving, and cabinets. Over the years, the furnishings have remained functional.

Over the last several years, recognizing the need for improved space and increased access of the collections, new storage space for the collection items has been one of the Board's priorities. In 1993, the Department began work on a comprehensive plan to renovate the main Interior building from 1996 through 2003. Early on, the Board worked with the renovation planners to develop appropriate space for the Board's headquarters collections, exhibition area, and staff offices. In the renovation plans, the Board was allocated ample and ideal space to increase visitor access, collection visibility, and promotional economic development opportunities for Indian artists and crafts producers. The new space was designed to meet the highest museum standards and plans were made to move the collections following completion of the renovated space.

In mid-1996, due to federal budget cuts, plans for the Interior renovation project were put on hold indefinitely. Thereafter, the Board began exploring interim solutions for temporary storage space. The Board asked for additional space in the building, and explored the possibility of using private art storage companies. At that time, additional space was not available in the Interior building and estimates for rental of commercial storage space were not feasible within the Board's budget. Therefore, the Board renewed its request for alternative space within the Interior building to relocate the collections from the mechanical floor.

With growing interest and support from the Department, which was advanced further by the formation and findings of a 1996 task force to study the Board's overall collections, the Board's latest request for additional space was approved. Steps are currently underway to move the collections on the mechanical floor to a superior location within the main Interior building where the collections can be properly stored, processed, and accessed. The new space is being prepared to receive the collections, which are expected to be relocated in July/August. The new space and furnishings will meet current museum standards and will provide greater visibility and access to these unique examples of American Indian and Alaska Native culture, heritage, and artistic vision. For the longer term, the Department has begun a dialogue with the Smithsonian Institution about display arrangements and the storage of this valuable art currently in the Interior building.

Question 63. Why is the Bureau proposing a decrease to the Board's budget?

Answer. This modest reduction reflects the tight budget environment for federal expenditure as well as the concomitant efforts by the Board to reduce reliance on federal funding through the Board's user fee program utilizing its museums and collections. Estimated revenue for the Board's recently instituted user fee program is approximately $50,000 for fiscal year 1999. It is anticipated that the revenues from private sources will continue to grow in the future as the Board expands its user fee program utilizing its museums and collections.

Question 64. What exactly is the Board? Why isn't the collection housed by an appropriate museum?

Answer. Although requests for the Indian Arts and Crafts Board's appropriations appear in the Bureau of Indian Affairs budgets, under the Operation of Indian Programs appropriation account, the Board is a separate agency under the Office of the Secretary. It was established in 1935 (Public Law 74–355) to promote the development of the creative work of American Indian and Alaska Native people to (1) improve the economic status of Native Americans, (2) ensure the continuing vitality of a valuable American heritage, (3) increase Native American participation and control in the growing Native American fine arts and handcrafts business; (4) enable

Native Americans to realize their full potential for employment and income from the demand for their creative work, and (5) assist Native American cultural leaders who are developing an institutional framework to support the preservation and evolution of tribal cultural activities. The Board's activities are not duplicated in either the federal or private sector, and its policies are determined by its five commissioners, who serve without compensation.

The Board administers the Indian Arts and Crafts Act of 1990 (Public Law 101–644) that regulates the marketing of Indian arts and crafts to protect producers and consumers. Annual sales of Indian handcrafts and other artwork are over $1 billion.

The Indian Arts and Crafts Board owns and uses for economic development, promotional, educational, and research purposes outstanding collections of contemporary and historic American Indian and Alaska Native art (23,000 objects) which represent over 50 percent of the artwork (painting, sculpture) administered by the Department of the Interior nationwide.

Approximately two-thirds of these collections are located at the Board's three regional museums in Oklahoma, Montana, and South Dakota. These museums serve as key economic and cultural cornerstones for their communities and the surrounding areas, enjoy significant tribal support, and host 150,000 visitors annually. The remaining works are located in the headquarters collection, which serves as a resource for promotional museum exhibitions, other promotional presentations, and economic development activities.

The museums and collections also play an important role in the Board's mission by fulfilling the express Congressional authorization for the Board to impose a range of user fees in Board museum and collection activities. These museums and collections, through admission fees, rental fees from Indian owned shops at the museums, and licensing the images of the collection objects, provide the main source of revenue for the Board to transition away from complete reliance on federal funding. Without these museums and collections, the Board would have no independent source of revenue.

The primary purpose of the Board's headquarters collection is providing the public with ready access to a pool of objects from which promotional/educational exhibitions and economic development activities can be created.

Some objects from the headquarters collection are exhibited in the Board's headquarters offices and in the Department of the Interior hallway exhibit cases on a rotating basis to impress upon official and public visitors the breadth, quality, and appeal of Native American creative work. To further increase public access to the Board's headquarters collections, three new mobile Indian Arts and Crafts Board exhibit cases, featuring a selection of headquarters collection masterpieces, have been placed in the main Interior lobby.

In addition to the Board's own promotional activities, objects from the Board's collections are loaned through formal written agreements to established and accredited museum facilities for exhibition and educational purposes. For example, work from the headquarters collection is currently included in two traveling exhibitions—Memory and Imagination: The Legacy of Maidu Indian Artist Frank Day, which premiered at The Oakland Museum in Oakland, California, and Pottery by American Indian Women: The Legacy of Generations, which premiered at the National Museum of Women in the Arts in Washington, D.C.

The article suggested that the artwork ought to be transferred to the Smithsonian. The article also suggested that Interior wants to keep the art—as a sort of "turf war".

Question 65. What's BIA's response?

Answer. The Department of the Interior recently re-affirmed the central role of the Board's museums and collections with respect to the Board's mission. In support of one of the Department's core missions, its commitment "* * * to carry out trust responsibilities of the U.S. Government with respect to American Indians and Alaska Natives * * *", and in acknowledgment of the U.S. Government's obligations under the Native American Graves Protection and Repatriation Act (Public Law 101–601), the Department re-examined the role of the Board's collections in 1996. At the request of the then-Assistant Secretary—Policy, Management, and Budget, a task force was assembled to recommend actions for the long-term preservation and protection of the Board's collections.

Following careful and extensive study, analysis, site visits, and discussions with the Tribes and surrounding communities, the task force, which included a representative from the Smithsonian Institute, recommended that Interior retain ownership of the Board's collections, that the Board's three museums remain in their respective communities, and that access and use of the Board's collections be increased. The Board supports these recommendations and has undertaken the task of increasing access and use of its collections. Currently, the Commissioners are exploring

preliminary opportunities to partner with other institutions to expand access to the collections for promotional, economic development, and educational purposes.

Despite the suggestion contained in the February 12, 1998, USA TODAY article, the Department of the Interior is not engaged in a "turf war" with the Smithsonian. In fact, the Board considers the Smithsonian to be a respected partner in the field of Indian art and cultural preservation.

Question 66. Two years ago, the House recommended elimination of funding for the Board. The Senate put funding back in. What are we accomplishing by continuing to fund it?

Answer. Within its limited budget of $967,000, the Board has continued to achieve significant accomplishments.

Among the key reasons to continue funding the Board are: enforcement of a federal law—the Indian Arts and Crafts Act (Public Law 101–644); operation of three museums that serve as major economic, cultural, and educational attractions in their regions; stewardship of 23,000 historic and contemporary American Indian and Alaska Native art and craft work; compliance with the Native American Graves Protection and Repatriation Act (Public Law 101–601); the U.S. Government's commitments to Indian Tribes; related cultural heritage preservation, cultural patrimony, education, and other intellectual property purposes; and promotion of tribal economic development and self-reliance.

In the past two fiscal years, the Board's work included completing the final regulations for the Indian Arts and Crafts Act (Public Law 101–644); initiating a user fee program to help offset budget reductions and reduce reliance on federal appropriations; updating the widely distributed "Source Directory" of Indian owned and operated arts and crafts businesses; promoting over 160 artists and craftspeople through individual, group, and special museum exhibitions; promoting approximately 300 Indian art businesses; and promptly and thoroughly responding to all complaints of misrepresentation. Other activities included moving the Sioux Indian Museum and collections into new and expanded facilities provided by the City of Rapid City, South Dakota. These new facilities represent a model private-local-state-federal partnership. During this time, the Board's accomplishments also included making artwork available for nearly 300,000 visitors who have visited the Board's museums; providing loans of its artwork collection to major touring museum exhibitions; providing collection images to authors and publishers; assisting in the establishment and development of Indian art and craft businesses; serving as an information clearinghouse and liaison between Indian artists and artisans and businesses looking for work to purchase; and providing a wide range of advice to Indian museums, cultural centers, heritage preservation organizations, and related projects seeking to establish or expand their programs.

The Board will continue to develop and expand these and other economic development activities, with a strong commitment to build up an aggressive Indian Arts and Crafts Act enforcement program. The Congress charged the Board with the responsibility to enforce this truth-in-advertising law, which helps protect American Indian and Alaska Native artists and artisans from unfair competition from counterfeits. Under the Act, the Board may receive complaints of misrepresentation of art and craft work in the marketplace. The Act provides both civil and criminal provisions and combats consumer fraud that unfairly reduces income of Native Americans in competition with cheap imitations. This misrepresentation of Indian art and craft work can also seriously erode consumer confidence in Indian arts and crafts products and can have wide-reaching negative economic effects. There is no other effective enforcement mechanism to ensure such truth-in-advertising and the Act's enforcement activities cannot be conducted by non-federal entities.

Under the Act, the Board may also register, without charge, trademarks of genuiness and quality on behalf of Indian Tribes, arts and crafts organizations, and individuals. This important trademark provision is intended to build market visibility and promote genuine Indian handcrafts. It is also intended to ensure that Indians receive a greater share of the industry profits and to preserve the integrity and marketability of authentic Indian arts and crafts products. Through these and future programs, the Board protects Indian artists and artisans, businesses, and Tribes, as well as consumers, and encourages the move by the Tribes and their members toward economic self-reliance.

Question 67. This Committee is struggling to find funding for programs that have marginal success but plenty of potential. Why shouldn't we cut the $932,000 for this program, which seems to be a dismal failure, and transfer the artwork to an existing museum?

Answer. We are confident that greater knowledge about the Board, its accomplishments, and its role in promoting economic development in Indian Country would lead the committee to reject the notion that the Indian Arts and Crafts Board is

a "dismal failure". Its activities fully justify the $932,000 proposed in the President's fiscal year 1999 budget. The Board is the only federal program that is concerned with increasing the economic benefits of American Indian and Alaska Native creative work in the $1 billion arts and crafts industry. Many producers participate while residing on their reservations; however, American Indians and Alaska Natives control only a limited portion of the marketing of their art and craft work. The Board engages in a variety of promotional efforts to change that. For example, the Board's "Source Directory" publication is the primary means of establishing direct contact between consumers and Indian producers.

In addition to terminating the Board's current activities and future agency economic development plans for American Indians and Alaska Natives, elimination of the Board's budget would create a significant hardship for Indian arts and crafts producers and businesses and would be a considerable setback for consumers. It would also undermine the Indian Arts and Crafts Act and essentially eliminate the trademark provision of the Act. Implementation of the Act is an inherently governmental function, and this law will not be enforced in any meaningful way if the Board is abolished. The Board's regional museums and collections will be in jeopardy, and damage to the existing relationship(s) between the U.S. Government and Tribes could result. The Department would continue to have fiduciary responsibilities for the care and preservation of the Board's collections.

Two years ago when the Board's funding was in question, the Board estimated that the cost of closing the agency would be $3.5 million, and would require two years to complete. The majority of this cost is for the specialized services required to pack the valuable collections at their current locations and move them to a suitable repository, while maintaining adequate accountability throughout the process. There presently is no other suitable facility to display these works and hence they would have to be stored indefinitely.

Continued federal funding of the Board in fiscal year 1999 is very important to the Department of the Interior in order to protect the considerable national assets administered by the Board, to permit the Board to implement the Indian Arts and Crafts Act (Public Law 101–644), to fulfill the Department's commitments to Indian Tribes, and to continue to assist Native Americans in the move toward economic self-reliance through the marketing of their work in the lucrative American Indian and Alaska Native arts and crafts market.

FAMILY VIOLENCE PREVENTION

The budget request for fiscal year 1999 contains $5,000,000 for Child Protection and Family Violence Prevention.

Question 68. Does the Bureau intend that some of the $5,000,000 be used to address the growing problem of teen suicide in Indian Country and in Alaska Native villages?

Answer. Under 25 CFR 63.35, Tribes have the ability to establish family violence prevention and treatment programs and some Tribes may implement treatment programs specifically designed to address possible teen suicide risks. However, part 63 gives Tribes considerable choice in terms of the focus of their family violence prevention program so it is premature to predict how they might structure their programs. The needs of the tribal members and the availability of mental health services would affect how Tribes design these programs.

Bureau programs are not the same as the programs offered by the Indian Health Service (IHS). Bureau programs are directed at the prevention of child abuse and family violence, while the IHS programs address the treatment of child abuse and family violence. Funding is available in the IHS budget to support treatment activities. Currently there is no funding to support the Bureau prevention programs that Tribes could initiate. The $5,000,000 requested in the Budget is intended to allow Tribes to begin developing and operating Child Abuse and Family Violence Prevention programs.

I believe that the Indian Health Service is the more appropriate agency to be providing family mental health counseling.

Question 69. Would the Bureau support the Indian Health Service getting whatever funding was available for those services?

Answer. The Bureau continues to support the request of $5,000,000 for Child Protection and Family Violence Prevention for the Bureau for which programs are separate and apart from the Indian Health Service request for mental health counseling services. The $5,000,000 is not intended for mental health counseling services which is the specific responsibility of the Indian Health Service. Under 25 CFR 63.35, Tribes may use the funds to operate a variety of programs which can include child protection and family violence prevention programs, development of methodologies

for multi-disciplinary investigations, development of tribal codes and regulations for child protection and family violence, and design and implementation of training programs for prevention of child abuse and family violence.

This Committee has not been able to provide funds for the Family Violence Prevention line item in the TPA activity in the past. Given the budget constraints, it is highly unlikely that we will provide funding for any new items this year, without some offsetting cut to another program in the Indian programs.

Question 70. Does the Bureau have a suggestion for an offsetting program cut?

Answer. With the need so great in Indian Country due to such factors as high unemployment rates, alcoholism, and the lowest life expectancy of any other category of Americans, it is difficult to propose an offset for any one program which benefits Native Americans. The need is so great in Indian Country that programs are so intermingled and dependent on one another, that "robbing Peter to pay Paul" would not benefit the Indian community in the long run as the net effect would be zero.

INDIAN LAND CONSOLIDATION PILOT PROJECT

The Bureau has requested $10 million to fund a new initiative, the Indian Land Consolidation Pilot Project. In your prepared remarks, you outlined the problem of fractional interests in land and the emphasis of this land acquisition program to consolidate ownership of Indian lands. You did not, however, detail what the $10 million is for or how much, in total, the Administration intends to spend on this program.

Question 71. Could you tell the Committee how much this is going to cost—in total?

Answer. It is currently estimated that it would cost a total of $300 million to acquire all fractional interests which represent less than 2 percent interest in an allotment. However, an integral component of the proposed program is recoupment of the purchase price through placement of an encumbrance on the interest. Ultimately, the net cost to the government will be much lower. "Real" costs would include: theoretical interest costs, shortfalls attributable to overestimates of fair market value, and costs related to acquisition of lands with administrative costs which exceed their value. Acquisition of these interests is also expected to provide savings in the costs to administer Indian lands.

Question 72. The Administration sent up authorizing legislation last year, which was introduced in the House as H.R. 2743, on October 24, 1997. Have any hearings been held? A markup?

Answer. No hearings or markups have been held on H.R. 2743. However, enactment of the Department's legislative proposal is not required to implement the pilot program in the fiscal year 1999 Budget request.

Question 73. Do you think this legislation will be enacted this Congress, which has about four months of legislative activity left?

Answer. Both the leadership of the House Resources Committee and the Senate Indian Affairs Committee have expressed interest in addressing this longstanding problem. The Department believes that the likelihood of enactment of the legislative proposal would be greatly increased if funds were provided for the pilot proposed in the fiscal year 1999 Budget request. Because the Department's legislative proposal only includes an authorization for appropriations, Tribes may be skeptical that funding would ever be appropriated for this program. In addition to the acquisition program, the legislative proposal includes important inheritance limitations that will help curb further fractionation of Indian lands. The inheritance limitations are somewhat controversial, and without funding for the acquisition program, may not have adequate support from Tribes and their members.

Question 74. Is the expenditure of $10 million on Indian land consolidation authorized, absent enactment of the Indian Land Consolidation legislation that is in the House?

Answer. Appropriations language in the fiscal year 1999 Budget is sufficient to authorize the pilot program. Without this appropriations language, the Department has an annual cap of $2 million for general Indian land acquisition under 25 U.S.C. sec. 465, however, additional authority may be available under tribal-specific statutes. The Department does not have any current authority to recoup the purchase price as provided for in the proposed appropriations language, nor to perform reservation-wide appraisals.

Question 75. What activities does the Bureau intend to undertake with $10 million this year?

Answer. The requested funding will primarily fund the acquisition price and related land acquisition costs of purchased lands. Requested funding is estimated to be

sufficient to execute a substantial program on one or more reservations to effect a measurable reduction in the costs of administering these Indian lands and their related trust fund accounts. A Departmental task force is preparing for implementation of the pilot.

The task force has developed pilot selection criteria, and has solicited and received nominations from Bureau Area Office Directors for pilot sites. Site selection is scheduled for early June, 1998. Pilot selection criteria include: Tribal interest/willingness to participate in pilot; significant level of highly fractionated land ownership interests; a location where the trust resources do not have a great deal of development; a location with up-to-date land records information; consent of any allottee association; and capability to make a substantial reduction in the number of highly fractionated interests at the requested funding level of $10 million. Proposed sites do not have to meet all selection criteria.

TRIBAL WATER RIGHTS

The budget request contains $5 million for a water rights settlement with the Chippewa Cree Tribe of the Rocky Boys Reservation in Montana. The authorizing legislation for that settlement has not been passed by Congress.

Question 76. What is the status of the legislation?

Answer. Authorizing legislation for the Rocky Boys settlement, the first Congressionally-authorized settlement in several years, was introduced in both the House (H.R. 3658) and the Senate (S. 1899) on April 1, 1998. The members of the Montana Congressional delegation are working with the respective committees in an effort to arrange a joint Senate-House hearing on the identical bills. A hearing before the Senate Committee on Indian Affairs is scheduled for June 24, 1998.

Question 77. The Committee does not usually fund settlements for which there is no authorization. Can the first appropriation wait until there is authorization?

Answer. If implementation of the Rocky Boys settlement is not initiated in fiscal year 1999, the momentum that has been generated in support of this legislation may be lost. Providing the funding needed for this settlement in fiscal year 1999 will signal the United States' commitment to meaningful protection of the Tribe's water rights in particular and of Indian water rights in general.

Question 78. Does the proposed settlement legislation contain penalty provisions, as some settlements have, which will result in higher appropriations needs if Congress does not appropriate funds for fiscal year 1999?

Answer. The only penalty in the settlement is a provision that if the Congress does not provide required settlement funds, the Tribal waiver and release of breach of trust and other claims against the United States will not be effective.

The Bureau has requested a $3 million increase to the $500,000 probate backlog reduction program.

Question 79. Would you explain that in greater detail?

Answer. The regulations contained in Title 43, Code of Federal Regulations, Part 4 (25 U.S.C. 372) mandates that the Bureau provide family heirship data to the Administrative Law Judge (ALJ), Office of Hearings and Appeals, within 90 days from the date an individual's death has been reported. Further, the Court cases of *Dull Knife* v. *Morton,* U.S.D.C., South Dakota, 394 F. Supp. 1299 (1976) and *Lee* v. *Andrus,* U.S.D.C., New Mexico, Civil No. 81–052–C (1981) directs the Department to probate Indian trust estates in conformity with existing law and regulations in order to avoid probate backlogs.

In fiscal year 1992, funds were appropriated to eliminate a pre-1991 backlog of approximately 4,600 estates that had not been submitted to the ALJ for probate. Significant strides were made in reduction of the backlog until 1996. The Bureau was on the average reducing the backlog by approximately 700 estates annually. However, Congressional budget reductions for fiscal year 1996 (loss of funding and staffing) and the elimination of some field ALJ offices resulted in a setback in the elimination of the pre-1991 backlog. While the Bureau was concentrating its efforts on eliminating the pre-1991 backlog, a new backlog was growing and is referred to as the post 1991 backlog of estates needing to be submitted to the ALJ for probate.

In February, 1998, the Bureau gathered data by name of the deceased Indians who owned an interest in trust or restricted land and whose estate had not been submitted for probate to the ALJ in accordance with the regulations contained in Title 43 of the Code of Federal Regulations. The data revealed that there were 7,772 estates that were pending submission to the ALJ for probate. This figure includes approximately 1,600 pre-1991 estates and approximately 6,100 post 1991 estates. The Bureau is confident that the number of estates identified will increase. The reason is that during the process of probating the identified estates there will be subsequent deaths (death of heirs within an estate being prepared) identified due to the

age of some of the estates that have not been probated. The Bureau estimates that the subsequent deaths will be 20 percent of the identified estate cases, or approximately 1,600 additional estates. Therefore, the grand total for estates that need preparation of family histories and property inventories for submission to the ALJ for probate is approximately 9,300 estates.

It is estimated that it requires an average of 40 hours for one person to research and prepare one non-complex estate for submission to the ALJ for probate at a cost of approximately $1,000. The average cost can increase to as much as $1,500 to $2,000 per estate depending upon the complexity and age of the estate. This does not include those costs associated with obtaining the property inventories which are obtained from BIA's Land Titles and Records Office or appraisals that are required in some states when the value of the estate exceeds a specified dollar threshold. Since the Federal Government does not have an inheritance code, state inheritance laws are utilized for the probating of Indian trust estates.

The additional $3 million will be used to address the backlog, both the remaining pre-1991 backlog as well as the post–1991 backlog. Initial emphasis to eliminate the backlog will focus on the remaining pre-1991 estates because these are the oldest cases. Due to the age of the estates, these estates will be more difficult to obtain the required family history data needed to submit to the ALJ and the associated costs to complete the data gathering will be greater for each probate. It is anticipated that the pre-1991 backlog could be eliminated with the additional $3 million.

According to the 1996 preliminary figures obtained from the National Center for Health Statistics, the national death rate is 448 per 100,000 persons. Considering that, the Bureau can expect that on the average there will be approximately 1,483 new deaths per year of individuals owning trust or restricted land or trust income. However, we believe that the death rate among American Indians would be slightly higher than the national death rate because of environmental and health conditions associated with American Indians. Also, it should be pointed out that on the average, there are seven heirs to each estate. This means that we can roughly expect an additional 7,000 new persons to inherit an interest in trust or restricted land during 1998. As the number of owners of trust or restricted land increases, there will be a continual growth in the number of estates that will need to be probated. This increase will only further complicate the ownership of trust or restricted land. The fractionated ownership is already overtaxing the ability of the Federal Government to properly manage the trust resources, maintain ownership in the land titles and records systems and timely distribute trust funds. These new heirs create the need for the establishment and maintenance of additional records (ownership and Individual Indian Monies (IIM) accounts) as well as making completion of trust resource transactions more difficult to complete because of the need to acquire consent from all of the heirs to the trust/restricted land under consideration for a transaction.

The costs identified only relate to those dealing with the preparation of documentation for submission of the estates to the ALJ. Not included are costs associated with posting of Bureau records after issuance of the Orders Determining Heirs or Devisees by the ALJs. Such records include, but are not limited to, changing land ownership records in the Bureau's Land Records Information System (LRIS) as well as Bureau agency office land records, i.e., changing payment records for leases, lease records, notification to lessees, preparation of documents to close estate accounts and distributing the estate's funds to the heirs or devisees, etc.

Failure to obtain additional funding to address the estate backlog that has been identified as well as assuring that sufficient funding is provided to assure that new deaths are timely submitted for probate will result in the continual growth and existence of an estate backlog. Further, it is important to point out that eliminating and maintaining the probating of Indian estates in a timely manner only treats one of the symptoms of the problem. The only way to assure elimination and non-recurrence is to address the cause—fractionated ownership. The Department has proposed legislation to address the problem, and a request for a pilot program is included in the Bureau's fiscal year 1999 budget request. This legislation proposes to correct and reverse the trend of fractional ownership of Indian owned trust and restricted lands.

The Bureau is requesting significant new funding for two programs that were not funded in fiscal year 1998, $3 million for Environmental Cleanup and $5 million for Water Quality Management Planning.

Question 80. If the Committee is able to provide only flat funding, are either of these a priority over existing programs?

Answer. Assistant Secretary Gover testified before the House Interior Appropriations Subcommittee in late March. In his testimony he recognized the difficult budget climate we face when the Congress and the President have really accomplished

something very significant in the form of a balanced budget. While the Bureau's fiscal year 1999 budget request includes increases over the fiscal year 1998 enacted level, it only begins to reflect the needs in Indian communities. American Indians are younger, have greater poverty levels, higher unemployment, a greater number of single parent families, and they die younger than the U.S. population at large.

The budget request is a delicate balance. It recognizes the climate of limited budgetary resources, focussing limited budget increases on critical programs. The Bureau has failed over many years to comply with Federal environmental laws. We now have a number of serious situations on the reservations and while we are not aware of any that are immediately life-threatening, there is no question that we have failed over the years to deal with environmental issues, especially involving underground storage tanks and landfills. In the 1970s and 1980s, we did not do a very good job of identifying the scope of needs that we had, and we have just begun a process with EPA to identify the entire range of environmental compliance issues, to prioritize them and then come up with a plan to present both to EPA and to the Committee for how we are going to attack this problem. EPA has begun and will continue to fine the Bureau for noncompliance with environmental laws. The budget request for these programs is extremely modest if compared to the known need on reservations. The funds would be used to address this serious situation in a more orderly fashion rather than trying to stay ahead of EPA fines, as well as to find the resources within existing, ongoing programs to pay these fines year after year.

ENDANGERED SPECIES ACT

In fiscal year 1998, the Committee expressed its strong views on the manner in which the secretarial order issued by the Department of the Interior and the Department of Commerce regarding the administration of Endangered Species Act [ESA] in relation to Indian tribal lands purported to change the administration of the ESA in ways flatly inconsistent with the statute. The Committee further stated its expectation that the Department would adhere to the ESA as written.

On page 154 of the Bureau of Indian Affairs' fiscal year 1999 Budget Justifications and Annual Performance Plan, the Department proposes a $1 million increase in Endangered Species funding to be used for the "satisfactory implementation" of this very secretarial order.

Question 81. As the Committee's direction on the Department's administration of ESA on tribal lands was clear and firm, please explain the justification with which this funding request is made. Furthermore, please detail any steps or actions the Department, alone or in conjunction with the Department of Commerce, has taken pursuant to this secretarial order, and with what justification such actions were made in light of the Committee's clear direction on this matter.

Answer. The budget request of $1 million will not be used exclusively for implementation of the Secretarial Order; only 3 percent, or $33,000, is anticipated to be needed to implement the order. The request includes funding for such things as compliance with the ESA, habitat surveys and inventories, support for the development of Integrated Resource Management Plans for tribal trust resources, and training for Bureau and tribal personnel. Thus, implementation of the Order is a small part of the requested increase.

The Department believes that the requested increase for implementation of the Secretarial Order is a legitimate and worthwhile use of funds for several reasons and strongly disagrees with the Committee's assessment. The Department believes that the Secretarial Order appropriately implements the Endangered Species Act (ESA) consistent with the statute.

The Department strongly believes the recent Secretarial Order simply recognizes the trust responsibilities and treaty obligations of the United States toward Indian Tribes and tribal members. The Order does not circumvent the requirements of the ESA in favor of Indian Tribes and does not give preferential treatment for Indian activities over those of private landowners.

In the past, actions have been initiated and decisions made that were viewed as disproportionately burdensome to Tribes, in violation of treaty and trust obligations, and not in the spirit of government-to-government communication. The Secretarial Order was created to rectify this while also complying with the ESA.

The success of the Secretarial Order depends on a clear understanding of the Order by both the Tribes and the federal employees who deal with Tribes while implementing the ESA. Because much of the ESA compliance must be carried out by the Bureau of Indian Affairs on behalf of the Tribes, it is important that Bureau employees become familiar with the Order. The requested funding would provide training to Bureau employees and tribal representatives on carrying out the Secretarial Order and implementation of the ESA.

To date, the Department of Interior has hosted three forums on implementation of the Secretarial Order. These forums were held in Phoenix, AZ, Albuquerque, NM, and Portland, OR. The Portland session was co-sponsored with the Department of Commerce. The audience included federal employees and tribal members. The intent of these sessions was to familiarize federal employees and tribal members with the contents of the Order and begin discussion of the most effective ways to implement the Order.

UNRESOLVED HUNTING AND FISHING RIGHTS

On page 151 of the Bureau of Indian Affairs' fiscal year 1999 Budget Justifications and Annual Performance Plan, the Department states that $320,000 of the $372,000 of the funding for Unresolved Hunting and Fishing Rights program will be used by Boldt Tribes for shellfish issues.

Question 82. Please provide the Committee with the specific activities to which the Boldt Tribes dedicated these funds in fiscal year 1998, as well as the activities to which the fiscal year 1999 will be dedicated.

Answer. Meetings with the Tribes on how to spend the $320,000 in fiscal year 1998 have recently been concluded. The Tribes have decided to allocate $270,000 for shellfish work as follows:

—The Lummi Tribe will produce and provide nursery for clam and oyster larvae to seed size for distribution to various western Washington Tribes;

—The Port Gamble, Lower Elwha, Jamestown and Skokomish Tribes will conduct surveys and collect biological data to determine distribution and stocking density of various shellfish species;

—The Quileute Tribe will conduct monitoring work with the Washington Department of Health to determine if shellfish is safe for consumption; and

—The Squaxin Island and Suquamish Tribes will conduct marine surveys, collecting data necessary to comply with the court's implementation order;

The Tribes further requested that the remaining $50,000 in fiscal year 1998 be allocated in support of a newly established tribal hunting committee created for the purpose of developing an Intertribal Wildlife Coordination Program to better coordinate hunting issues with the Washington Department of Fish and Wildlife as a follow-up to the August 1997 ruling in Washington versus Buchanan.

Expenditures for fiscal year 1999 will be determined in tribal meetings scheduled for next year.

QUESTION SUBMITTED BY SENATOR COCHRAN

Question. Recognizing that the waiting list for school construction is very long, and in the interest of finding ways to move schools off the list by accomplishing the needed construction, I suggested last year that BIA look into developing a pilot project that would allow Tribes to match funds for this purpose. Please provide a status on that project, and particularly the prospect for implementation.

Answer. In mid-April 1998, the Navajo Nation President and tribal representatives from the Crow Creek and Mississippi Choctaw Tribes met with key staff from the Bureau's Office of Indian Education Programs and Facilities Management and Construction Center. The purpose of this meeting was to begin preliminary discussions regarding tribal/BIA funding partnerships for replacement school construction and to discuss potential revisions to the priority setting process for replacement school construction which will take into consideration the funding partnership concept. The Bureau intends to consult with Tribes and school boards during the summer of 1998 regarding the revisions and the funding partnership concept. The Bureau will consider implementation of a pilot project or projects to test the validity of the concept.

QUESTIONS SUBMITTED BY SENATOR DOMENICI

Indian water rights funding

Several New Mexico Indian Pueblos are very upset about the lack of funding in the Albuquerque Area Office for water rights negotiations.

What bothers me about this situation is the fact that I am hearing about funds going to Minnesota and Montana while Arizona and New Mexico Tribes—where the vast majority of pending cases are—see declining resources while the national total goes up.

The Zuni, Acoma, Laguna, and Taos Pueblos have made strong appeals to me to try and secure water rights funding for their on-going water negotiations.

The first problem in tracking this funding is that the money comes from two sources in non-recurring funds at the BIA. The first source is Water Rights Negotiation/Litigation, which has an Administration request for an increase of $3.5 million over 1998 or a new total of $14.5 million. The second source is Water Management, Planning, and Pre-Development, level funded by the Administration at about $8 million.

From both sources, New Mexico Tribes received $3.48 million in 1996; $2.87 million in 1997; and $2.38 million in 1998—clearly a steady decline while demand for these funds is on the increase due to active negotiations in the Rio San Jose, the Rio Grande, the Little Colorado, and other water basins around New Mexico.

Despite the supposed high priority for active negotiations in both sources, New Mexico definitely is being short-changed for reasons that I simply do not understand. I have no quarrel with the formal BIA priorities, but I do have a quarrel with the application of these priorities in New Mexico.

Question 1. Please explain these disparities to me, but, more important, please help me to see that the BIA follows its own guidelines in distributing this vital water resource funding in the Southwest, and especially in New Mexico.

Answer. The Water Rights Negotiation/Litigation Program is a critical component of the Bureau's efforts to carry out the United States' responsibility to protect, defend, and manage American Indian reserved water rights and other related issues in accordance with the highest fiduciary standards. Reductions in funding over the past several years have seriously affected the Bureau's ability to fund, or fully fund, many requests. Thus it is becoming increasingly difficult for the Bureau to meet its trust responsibilities. The $3.5 million increase requested would restore funding for the Water Rights Negotiation/Litigation Program to the fiscal year 1995 level.

When funding requests are received for both federal and tribal activities, they are evaluated using established national ranking criteria to address the highest priority of both litigation and negotiation needs. For fiscal year 1998, an evaluation panel of Bureau area office program personnel was established. The panel was comprised of representatives from Area Offices with some of the most active water rights issues, including the Albuquerque and Phoenix Area Offices. This panel worked diligently to review all funding requests and to apply the established criteria for ranking each request.

For fiscal years 1996, 1997, and 1998, the Albuquerque and Phoenix Area Offices have consistently received 60 percent of the water resources funds available while overall program funding levels have decreased. In fiscal years 1997 and 1998, the Minneapolis Area Office did not receive Water Rights Negotiation/Litigation funding and their fiscal year 1998 funding from the Water Resources Management, Planning and Development Program was reduced by almost 50 percent from fiscal year 1997. The Billings Area Office has not received funding in excess of the Albuquerque or Phoenix Area Offices since fiscal year 1996.

The Bureau will continue every effort to ensure that the funds available are distributed to address the higher priorities and provide adequate funding for worthy projects in support of Indian water resource activities.

NEW MEXICO INDIAN SCHOOL REQUESTS

Navajo preparatory school (BIA contract school)

Navajo Prep is requesting $1.4 million for replacement of utility infrastructure. This request includes costs for sewer, water, electricity, storm drainage, natural gas, and communications needs.

Navajo Prep is located in Farmington, NM, serves 190 students, and is eligible for BIA Facilities Repair and Improvement (FI&R) funds. They are seeking funds to build a new campus to serve 300 students.

Answer. The Bureau requested $37.4 million in the fiscal year 1999 President's Budget for Seba Dalkai Boarding School, Sac and Fox School, and Pyramid Lake High School which are ranked Nos. 9, 10, and 11 on the Bureau's replacement school construction priority list. If requested funds are provided, construction of these schools would start in the early spring of CY 1999 and be completed in the fall of CY 2000. The fiscal year 1999 budget request does not include any funds for the Navajo Preparatory School. The replacement school construction needs have been determined through a nationwide priority setting process directed by the Congress. The Bureau will continue to utilize the list until the last school is funded for construction.

Canoncito community school (BIA school)

This Pre-K–12 school was designed for 225 students. Current enrollment is 471 students. To alleviate overcrowding, they are seeking funds for six portable class-

rooms at about $210,000. They would also like to see a new school on this site. Their current basic structure was built in 1935.

Answer. On March 31, 1998, the Bureau called for new applications for portable classrooms which are planned for funding in fiscal year 2000, 2001 and 2002. The applications are due on June 1, 1998. An application package for portable classrooms has been sent to the Canoncito Community School, as well as all other eligible Bureau funded schools, for their use in applying for any additional justifiable portable classrooms. Bureau staff have discussed this need for additional classrooms with school board representatives and is aware of the overcrowded conditions. If the Canoncito School board applies for portable classrooms, the Bureau will consider the application based on the established needs-based criteria provided to all schools and will rate and rank the application accordingly. If the application is ranked high relative to other applications, the BIA will consider funding the need in future budget requests.

With regard to the school's desire for a new school, the Bureau's current plan includes a call for new applications for replacement school construction in early CY 1999. Newly prioritized schools under this application process will be added to the existing list of unfunded replacement schools. The Bureau plans on consulting with Tribes and school boards during the summer of CY 1998 regarding changes to the priority setting process, with proposed rulemaking planned for the latter part of CY 1998. Approximately 10 schools will be added to the existing replacement school priority list.

Isleta Elementary School (BIA School)

This K–6 school was built in 1930. There are thirteen (13) portable classrooms on site. There are 236 students and 17 staff members. 62 students are taught in the main building with the remaining 174 students in portable classrooms. The main building is an old adobe building with few of today's classroom necessities. The auditorium is too small to be used for physical education, there is no storage space in its three classrooms, windows do not open, and the roof continues to leak.

Answer. The fiscal year 1999 budget request includes $3.2 million for Portable Classrooms. The Bureau will continue to repair education buildings as funding is appropriated. The existing health and safety criteria-based ranking system will be used to determine project ranking.

Mariano Lake Community School (BIA School on Navajo Nation)

This school is in transition from a BIA operated school to a BIA contract school. Their FI&R needs exceed $390,000 including the replacement of two 1,000 gallon propane tanks that are not in compliance with codes. They need three three-bedroom staff quarters for an additional $195,000, and their top priority is a 10,880 square foot gymnasium.

Current enrollment is 281 with 64 boarding students. This school serves the Crownpoint area.

Answer. This school is not on the Bureau's Replacement School Construction priority list established in 1993. The Bureau will continue down the list until the last school is funded for construction. To fund this request would circumvent the priority setting process and longstanding policy of using the existing replacement school priority list approved and frozen by Congress.

The fiscal year 1999 budget request for Education Facilities Improvement and Repair is $46.2 million. The Bureau uses the automated priority ranking method to establish the list from which to determine what projects can be funded for FI&R work. This school is not on the Facilities Improvement and Repair list. The Bureau determines critical life safety issues and addresses them as a first priority. The planning, design, and construction activities are established through the facilities improvement and repair (FI&R) nationwide priority setting process. The Bureau is encouraged by recent Presidential initiatives to increase funding for the Nation's school infrastructure including increases in Bureau school construction funding levels. The Bureau is aware that the condition of many of the existing schools remains poor, however, the Bureau continues to work with respective Tribes and school boards to identify any immediate dangerous safety and health conditions which are eligible to be corrected with Minor Improvement and Repair or Emergency funds.

Shiprock Alternative Schools (BIA Schools)

This school has 182 high school students; 200 elementary students; a special education program for 20 students; and a residential facility with 85 students. At-risk youth who are having social or academic problems in conventional settings make up the student body.

This school is number 12 on the national replacement school priority list. Planning is complete and design is funded. Most buildings are over 50 years old.

Answer. This project is currently ranked number 12 on the Bureau's replacement school construction priority list. The planning phase of the project is complete and the School Board, using a Public Law 100–297 grant, is scheduled to start the design phase of the project in the summer of 1998. The Bureau anticipates requesting funds for construction of this project in the fiscal year 2000 budget request.

The Mescalero Apache K–12 School

In 1954, the Mescalero Elementary was built with BIA funds. It became a BIA funded public school through the Tularosa Public School system. This K–6 elementary school was destroyed by arson in 1990. The Tularosa school system collected the insurance, and the BIA helped with temporary facilities.

Question 2. The Mescalero Apache Tribe is now seeking funds for the construction of a new K–12 school to serve the entire reservation. I understand that the BIA is again responsible for the school, and I am very interested in verifying its status as a BIA school, and the possibility of its becoming a priority for BIA replacement and new construction funds.

The destruction by fire is normally a cause of high priority consideration by the BIA, and I do not yet understand why the Mescalero Apache school has not been made a priority in the BIA school construction program?

Answer. The Mescalero Tribe leased land for a nominal fee ($1.00) to the State of Mexico for a 25-year period. The local school district then located, constructed (in 1958), and operated a public K–6 grade elementary school on the reservation land. The annual lease subsequently expired with no new lease agreement being reached. A chronology of events on this school follows:

February 18, 1990.—The Mescalero Public School burned down (K–6).

February 19, 1990.—Mescalero Apache Tribe passed Resolution No. 90–5 in support of the Tularosa Public School Board of Education and requested portable classrooms from BIA and the State.

May 20, 1990.—Albuquerque Area Education Administration notified the Tribe that no funds are available from the Office of Indian Education Programs (OIEP) for the emergency.

August 6, 1990.—The Office of Construction Management (OCM) met with tribal Representatives and agreed to have a Technical Team determine suitability of a tribal community center for conducting classes in school year 1990–91. The Tularosa School District had used the community center part of school year 1989–90. The building was found to be seriously deficient for use as a school. The Facilities Management and Construction Center (FMCC) looked at options to upgrade tribal buildings or acquire portable classrooms.

August 6, 1990.—The Mescalero Apache Tribe passed Resolution No. 90–28, indicating that the Tribe and school district have failed to reach an agreement on location and operation of a public school (school district proposed to build a new school located off tribal lands, which would require student busing). Also, the school would include other public students. The Tribe requested BIA to assume operation responsibility for a proposed tribal school in 1990–91.

August 15, 1990.—Plans for a steel building to be purchased and erected by the Mescalero Apache Tribe were transmitted to FMCC for review.

August 16, 1990.—A meeting was held regarding the school between the Secretary of Interior, Manuel Lujan; the Assistant Secretary for Indian Affairs, Eddie Brown; and the President of the Mescalero Apache Tribe, Wendell Chino. The Department/BIA position held was that the Bureau would not support taking over the education program from the Mescalero Tularosa School District until an agreement was reached to operate an accredited public school.

August 22, 1990.—Letter sent to the Assistant Secretary for Indian Affairs from the Albuquerque Area Director requesting $387,000 to renovate tribal building for classrooms (building purchased by Tribe).

August 24, 1990.—Letter sent from the Assistant Secretary for Indian Affairs to the President of the Tribe specifying conditions for granting assistance to tribal school. The Tribe was independently obtaining facilities and hiring teachers for school year 1990–91.

October 9, 1990.—The Mescalero Apache Tribe submitted interim application for Tribally Controlled Grant School (Public Law 100–297).

April 4, 1991.—Letter sent from the Assistant Secretary for Policy, Management and Budget to the Appropriations Committees bringing the committees up to date on the status of the school. No agreement was reached between the Tribe and the public school district, and the Tribe obtained and erected a building for 250 students.

April 11, 1991.—OIEP approves the Mescalero School to become a Bureau-funded school, effective July 1, 1991. Safety deficiencies are required to be corrected at the school before occupation.

November 25, 1991.—The Mescalero Apache Tribe submitted an application for new school construction.

January 6, 1993.—Federal Register Notice for "Education Facilities Construction Priority List of fiscal year 1993" was published. Mescalero's application for fiscal year 1993 was considered, however, because the school when destroyed by fire was not a Bureau owned or operated facility, the application did not receive a high ranking on the priority system. The application was competed and evaluated along with 66 other requests. Only the top five schools were added to the 1992–93 list which contained 16 schools in total.

The Bureau Education and Facilities programs provide funding for the annual operation of the Mescalero Tribal School. The Bureau recognizes the needs of the Mescalero School and other schools in Indian Country. However, the fiscal year 1992–993 Education Facilities Construction Priority list of 16 schools was frozen by the Congress in fiscal year 1993. Through fiscal year 1998, the Bureau has received funding for the first eight schools on that list. In fiscal year 1999, funding for three additional schools is requested which will leave five schools remaining. With our fiscal year 1999 projected annual rate of appropriations, we anticipate completing the list of 16 prioritized schools in the year 2001 or 2002. The Bureau is concerned about Mescalero and other schools where students are faced with being educated in classrooms that do not meet code requirements or modern standards. The Facilities Management and Construction Center and the Office of Indian Education Programs, at the direction of the Assistant Secretary for Indian Affairs, are currently reviewing completion of the replacement school projects and looking at a new replacement school application process. Depending on appropriation levels, the Bureau is anticipating being able to solicit replacement school applications when the new process is established in 1999. This will provide Mescalero with the opportunity to compete for a replacement school in a national prioritized ranking process.

Crownpoint Institute of Technology

BIA operating funds of $1.8 million plus contract support costs of $400,000 are needed to stabilize the operating funds for CIT. Sixty-one percent of CIT graduates have jobs in the private sector. It is the only vocational education school on the Navajo Nation and enrolls 426 students.

Acoma-Laguna-Canoncito High School

We have been asked for a special appropriation of $14 million for this new high school. Indian school repair, renovation and replacement—a crisis in three R's in Indian country S. Con. Res. 86 concurrent resolution on the budget

Answer. This project is not currently on the Bureau's replacement school priority list. The fiscal year 1998 Interior Appropriation Bill language prohibits the Bureau from expanding grades for any school or dormitory beyond the grade structure in place or approved by the Secretary of the Interior at each school in the Bureau school systems as of October 1, 1995. The Acoma-Laguna-Canoncito High School is not presently in the Bureau school system.

Overall assessment of Indian school physical conditions

Today there is a $1.5 billion backlog of repairs, renovation, and replacement for all federally owned and operated BIA schools, including elementary, secondary, and post-secondary schools.

A December, 1997 report by the General Accounting Office (GAO) concluded that "the cost of the total inventory of repairs needed for BIA education facilities (elementary and secondary only) is $754 million. This includes $693 million for repairs to school buildings, including dormitories for students. It also includes $61.7 million in repairs needed for education quarters such as employee housing.

The footnote to this estimate notes that $754 million "does not include the costs of replacing school buildings. BIA's priority list for constructing education facilities includes eight unfunded school replacement projects with a total estimated cost of $112 million."

The BIA construction priority list

Mr. President, we in the Senate who pay close attention to this BIA priority list for school construction are well aware that this list has been frozen for several years now. This means that the eight school scheduled for replacement are the ones on this frozen priority list. I am attaching this list of 16 total BIA schools from the Administration's fiscal year 1999 budget request for the Record. Obviously, a school that is replaced would be deleted from the list of school needing repair. The GAO

report includes the costs of schools scheduled for replacement. In short, the GAO estimate does not fully estimate the costs of replacement schools.

To get a rough idea of the costs of replacing these schools, including those that are not on the frozen priority list, I have checked with the Assistant Secretary for Indian Affairs, Kevin Gover. His office informs me that 50 percent of the 185 BIA schools are over 30 years old and fail to meet current codes and standards.

The GAO, has noted that 25 percent of BIA schools are over 50 years old, and, of course fail to meet the same standards for safety and teaching.

Total BIA schools needing replacement and repair

There are 93 BIA schools that should be replaced—well beyond the current priority list of 16. At an average cost of $180 per square foot, these 93 schools would cost one billion dollars to replace.

Replacing these 93 oldest BIA schools would leave about $200 million in repair and renovation costs for the remaining 92 BIA schools.

This simple arithmetic gives us a current estimate of about $1.2 billion to bring all federally operated BIA schools up to par.

Indian community colleges

These Indian community colleges fall into two categories: those run by the BIA and those that are tribally controlled community colleges.

In the first category, those run by the BIA, Haskell (Kansas) and SIPI (Albuquerque) are the only two that are fully federally operated by the BIA. The BIA now has 26 tribally controlled community colleges eligible to receive funds through the Tribally Controlled Community Colleges Act, and one more, United Tribes Technical College, funded through the BIA's Community Development funds.

In total, then, there are 29 Indian Community Colleges with direct BIA funding, and one, Crownpoint Institute of Technology, that is funded primarily through the Carl Perkins Vocational Education program of the U. S. Department of Education.

These Indian community colleges have an estimated repair and renovation cost of about $310 million. Replacement costs, such as the Shiprock branch of Navajo Community College, are not included. The Shiprock branch is estimating the costs for a new campus at about $28 million. The need for married student housing at Crownpoint Institute of Technology is also not included.

Total BIA schools and Indian community colleges

For the sake of simplicity, we can easily estimate that total repair, renovation, and replacement costs for all elementary, secondary, and post-secondary BIA schools and tribal schools eligible for BIA funds, exceed $1.5 billion.

GAO REPORT ON BIA SCHOOLS

For the benefit of my colleagues, I would like to submit an edited version of the GAO study on Indian school repair needs. Please keep in mind that this report is focused on elementary and secondary schools only.

The GAO finds that 47,200 Indian students are served by 173 schools. The BIA count is 185 schools and over 50,000 students. The BIA schools range in size from 15 to 1,144 students, with about half of these schools enrolling fewer than 200 pupils.

Growth is very high in these schools with an increase in student enrollment of 25 percent since 1987. Most of this growth has occurred in the last 5 years.

About 10 percent of all Indian students attend BIA schools, funded or operated by the BIA. The vast majority or 90 percent of Indian students in America attend regular public schools.

BIA schools are located in 23 states, but are highly concentrated in 5 states—North Dakota, South Dakota, Arizona, New Mexico, and Washington.

BIA schools are generally in poorer physical condition that even central city schools and lack more key facility requirements than typical American schools.

The BIA schools are older and less able to support computer and communications technology than average American schools.

Conclusion (S. Res. 100 on Education of American Indians) In addition to the physical needs of our federally operated Indian schools and colleges, there is a parallel crisis in operating funds for Indian schools nationwide.

American Indian students have the highest dropout rate of any racial ethnic group (36 percent) and the lowest high school completion and college attendance rates of any minority group.

Average annual funding for Indian college students is $2,900 compared to $6,200 for Americans as a whole.

Senate Resolution 100, introduced in the First Session of this Congress which I introduced with the cosponsorship of Senators Campbell, Inouye, Johnson, Dorgan, and Wellstone, discusses the overall situation of Indian education and calls upon the 105th Congress to address these issues through major education bills under consideration.

I urge my colleagues to review Senate Resolution 100, and support its passage by this body in order to draw more needed attention to the major problems we face today in Indian education.

I ask unanimous consent that S. Res. 100 be made a part of the Record, along with the BIA school construction priority list, and my summary of the GAO report on Indian school repairs.

QUESTIONS SUBMITTED BY SENATOR BURNS

Question 1. What can we, as Congress, do to ensure that funding uses are being reported correctly by the BIA and the Tribes themselves?

Answer. The Bureau has its finances audited annually by the Department of the Interior Office of Inspector General (IG). Tribes that receive more than $300,000 annually in Federal funds are required under the Single Audit Act to have an independent audit that is reviewed by the Inspector General. All of these audits are currently required because of laws that Congress enacted to safeguard federal appropriations. In addition, the Bureau adheres to the guidelines for reprogramming imposed by the Appropriation Committees and reports to Congress both on the reprogramming of funds managed by the Bureau (quarterly) and reprogramming of tribal funds from Tribal Priority Allocations (semi-annually) in accordance with those guidelines. It is the position of the Bureau that these laws are adequate to ensure that funds are being correctly reported.

The Bureau has received qualified options from the IG for the last two years. The qualifications are not related to the execution and reporting of appropriated dollars. The qualifications are primarily related to collection and accounting for revenues and debts owed to the Bureau and accurate accounting and depreciation of property.

On the tribal side, most Single Audit Act audits are found to be acceptable and accurate. The primary issues on tribal audits relate to timeliness of filing and the needs for improvements in accounting systems as tribes take on additional programs and add tribal business operations. When abnormalities in fund management are discovered, the Tribes are directly to correct the problems.

Question 2. How do you plan to decrease unemployment and increase economic growth by increasing funding to the Tribes?

Answer. While the Bureau's fiscal year 1999 budget request includes increases over the fiscal year 1998 enacted level, it only begins to reflect the needs in Indian communities. It remains true that American Indians are younger, have greater poverty levels, higher unemployment, a greater number of single parent families, and they die younger than the U.S. population at large. Unhappily, these trends are actually deteriorating at this time. The budget request is a delicate balance. It attempts to address only a small portion of need Tribes have to bring programs for Indian communities anywhere near neighboring non-Indian communities. Tribes want to decrease unemployment and desperately desire opportunities for economic growth so that they can even consider becoming less dependent on the federal government for resources, as much as the Bureau does.

The Bureau's appropriations included resources for several programs directly related to economic development, including a Direct Loan program, a Guaranteed Loan program, an Indian Business Development Grant program, a Community and Economic Development Grant program, and Technical Assistance to Indian (business) enterprises. Budget reductions over the last several years have eliminated all but the guaranteed loan program, even while Tribes have voiced needs in this area and the Bureau has requested and justified funding. In the guaranteed loan program, the fiscal year 1998 appropriation of $4.5 million will subsidize $34.6 in guarantee loan commitments. The fiscal year 1999 proposed appropriation of $4.5 million will subsidize up to $59.7 million in guarantee loan commitments, an increase of over 70 percent.

The only thing that will help Tribes attempt to resolve the problems of unemployment and lack of economic development is devoting more resources to close the gap between the well-being of non-Indian and Indian communities.

Question 3. What exactly does the BIA see as its long term goal to be achieved by the year 2000?

Answer. The Bureau has a number of long term goals identified in its Government Performance and Results Act Strategic Plan. These goals range from emphasis

on improving and increasing Indian Self-Determination to increasing the efficiency of administrative support services within the Bureau and to the Tribes. One goal is "to provide quality investigative and police services and technical expertise to Indian Tribes." This goal is receiving the greatest emphasis in the fiscal year 2000 President's budget request. The goal is supported by the multi-year Presidential Initiative on Law Enforcement in Indian Country which includes joint funding requests in fiscal year 1999 for the Department of the Interior's Bureau of Indian Affairs and the Department of Justice. The combined funding will make significant progress toward resolving the crime problems in Indian Country in its first year (of the four year Initiative) by improving the delivery of law enforcement services through increased law enforcement personnel available "on the street" and additional training being provided to Tribal and Bureau law enforcement personnel.

Question 4. What short term fixes do you think need to be done this year in order to move us toward this long term goal?

Answer. With regard to the Bureau's strategic goal on law enforcement the most immediate need is to put additional trained, uniformed officers in Indian Country and eliminate dual roles of personnel at detention centers whose daily job requirements currently range from jailer, dispatcher, to cook. This goal can be achieved by supporting the funding increase proposed for law enforcement in the President's budget request so that additional personnel may be hired and additional training courses may be provided to ensure quality service.

QUESTIONS SUBMITTED BY SENATOR DORGAN

Question 1. On March 31 of this year, you had a meeting with USDA officials and representatives of the Three Affiliated Tribes concerning the Tribes' request to have Farm Service Agency farm loans transferred from the U.S. Department of Agriculture to the Department of Interior as authorized by section 638 of the 1996 farm law. Such an action would protect the trust status of these lands. What decision has been made regarding this inter-agency transfer request? If no decision has been reached, when can such a decision be expected? If the request of the Three Affiliated Tribes is being turned down, please explain your reasoning for this decision.

Answer. The decision is under review but is not final. The process of transferring these debts is being studied and a draft transfer agreement is being prepared. We expect to reach a decision by September 30, 1998.

Question 2. Therapeutic Model Schools, such as the Circle of Nations School in North Dakota, were established to serve children having a wide range of needs not able to be met in a traditional school setting. Therefore, these institutions require specialized personnel and other resources to created comprehensive programs to meet a wide variety of needs from counseling to substance abuse to learning disabilities. Would you support special appropriations to these designated institutions to evaluate students and develop and deliver services which recognize the special needs of their students?

Answer. To date, the Bureau has provided a total of $767,600 additional dollars to the Circle of Nations School in an effort to implement the therapeutic model, beginning in School Year 1993–94. As a result of our efforts, earlier problems with the school administration and the implementation of a specific therapeutic model have been resolved and the overall educational program at the school improved considerably.

In addition, we have requested $550,000 in fiscal year 1999 for the training of residential and instructional staff in all Bureau-funded schools. Approximately half of that amount will be spent specifically for training of the dormitory and boarding school staff who spend the greatest amount of time with the residential students. Building on our experience at Circle of Nations School and hearing directly from other on-and off-reservation schools and dormitories, the Bureau recognized the need for intense training in counseling techniques and other skills for all residential staff, including those at Circle of Nations School.

Question 3. I am also concerned that formulas for allocating special education funding under the Individuals with Disabilities Education Act may not recognize the particular scope of services provided by therapeutic model schools. Can you assure me that the Department will look into this matter and report back to me with regard to its options under this program?

Answer. The formulas for allocating special education funding under the Individuals with Disabilities Education Act have been sent to Tribes, tribal organizations, school boards and parents for comment in the Tribal Consultation Booklet. The Consultation meetings were held between April 22, 1998 and May 14, 1998. All comments and options are now being reviewed before any decision on a formula is made

final. A report will be submitted outlining special education funding allocation options.

Question 4. As you know, for the last two months my office has been involved with the Department and numerous other federal agencies in trying to reach a solution to the problems of PCB contaminated schools on the Standing Rock Reservation. What actions are you taking to identify other schools and facilities under your control in North Dakota which may be similarly contaminated?

Answer. The Bureau became aware of PCB contamination at Standing Rock in early February, 1998. Soon thereafter, the Aberdeen Area Director sent a letter educating all the Agency Superintendents and Education Line Officers in the Area, including North Dakota, about the issue of PCB light ballasts, and directing them to conduct PCB ballast inventories. Fort Totten Agency has reported that they do not have PCB-containing light ballasts. The other Agencies in North Dakota (Fort Berthold and Turtle Mountain), and elsewhere in the Aberdeen Area, are currently compiling their PCB inventories.

The Aberdeen Area is treating all reports of leaking PCB ballasts as emergency abatements, even if PCBs have not leaked into the occupied space of the buildings. Non-leaking ballasts are being scheduled to be retrofitted under the Bureau's Minor Improvement and Repair program.

In North Dakota, the Bureau has been participating in the PCB remediation at Ft. Yates on the Standing Rock Reservation. At this time all that remains to be completed at that project is the installation of new ceiling tiles and carpet in the administration building and elementary school and carpet in the high school library. Ceiling tile installation began in the administration building on May 11, 1998. The carpet for the elementary school and high school is on site. Despite extensive post-remediation PCB sampling conducted by the Bureau's contractor, the Tribal school board has indicated that it would like to perform additional PCB testing in the elementary school. The installation of the carpet must wait until that testing program is complete. The Bureau has also obtained quotes for replacing light ballasts that may contain PCBs in schools that are on the Standing Rock Reservation but are not in Ft. Yates.

In addition to these efforts in North Dakota and the Aberdeen Area, the Bureau is also developing a nationwide PCB inventory and phase-out program. All Areas are being instructed to determine the date of manufacture of light ballasts (most manufactured prior to 1978 contain PCBs) and their condition in all Bureau buildings, including schools and recreation buildings. Once this inventory is complete, the Bureau will develop a long range plan and budget proposal to phase out all PCB light ballasts. In addition, all Bureau facilities will be examined for PCB and other environmental contamination as part of the Bureau's environmental auditing program.

A formal report was submitted to the Committee on the PCB issue, action taken and future plans for testing other school facilities.

Question 5. The Spirit Lake Nation, the Turtle Mountain Band of Chippewa, and the Three-Affiliated Tribes at Fort Berthold are all party to an agreement with the U.S. Department of Agriculture for a Rural Area Economic Partnership (REAP) pilot program which is designed to mitigate the negative effects of out-migration and lack of employment opportunities and job losses in rural communities. President Clinton, in making a commitment to the REAP program, indicated his intent that an interagency working group be committed to addressing the issue of revitalizing rural communities. How is BIA participating in the REAP pilot program?

Answer. The Bureau is not yet involved in this effort. We are aware that Fort Berthold is in the Southwest REAP Zone and that Spirit Lake and Turtle Mountain are in the CONAC REAP Zone.

Question 6. If BIA is not yet involved, tell me how the agency will work with the Tribes mentioned here, and the USDA, to provide technical and financial assistance devoted to success of the REAP program in Indian country?

Answer. Upon requests from the Tribes, the Bureau will provide technical assistance to the extent we are capable and will provide financial assistance if available.

SUBCOMMITTEE RECESS

Senator GORTON. Thank you all very much. The subcommittee will stand in recess until 10:30 a.m., Thursday, April 23, when we will receive testimony from the Forest Service.

[Whereupon, at 12:04 p.m., Tuesday, April 21, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, April 23.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1999

THURSDAY, APRIL 23, 1998

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

The subcommittee met at 10:40 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Slade Gorton (chairman) presiding.

Present: Senators Gorton, Cochran, Domenici, Burns, Bennett, Gregg, Campbell, Byrd, and Bumpers.

Also present: Senator Craig.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENTS OF:

JAMES R. LYONS, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT

MIKE DOMBECK, CHIEF

ACCOMPANIED BY:

RANDLE PHILLIPS, BUDGET COORDINATOR

DR. ROBERT LEWIS, DEPUTY CHIEF, RESEARCH, AND DEVELOPMENT

FRANCIS PANDOLFI, SPECIAL ASSISTANT TO THE CHIEF

BUDGET REQUEST

Senator GORTON. I will call the meeting to order and want to apologize to all of our witnesses for the chaotic schedules the Senate follows with its votes.

We have Mr. Lyons, Under Secretary for Natural Resources and Environment, Mike Dombeck, the Chief of the Forest Service, and many of their staff here with them.

A year ago, the budget agreement and Senator Stevens' generosity allowed this subcommittee to provide a substantial increase of well over $100 million for Forest Service programs. That will not be the case this year. The total for nondefense discretionary funding available for the entire Appropriations Committee under our budget resolution is less than a freeze level.

I will, of course, try to persuade Senator Stevens to provide the subcommittee with an allocation that is somewhat better than a freeze, but success in that question is dubious and we certainly will

not have anything like the $1 billion contemplated in the President's budget.

So our outlook would be a pessimistic one as we look at the Forest Service budget in spite of the President's request for $150 million more.

It is more pessimistic and more negative for the witnesses here today because I detect almost no sentiment favoring increases for the Forest Service. Several members of this subcommittee and many other members who have spoken to me believe the fiscal year 1998 level is excessive based on the performance and behavior of the Forest Service.

During last year's hearings, I expressed my own concerns about the Service and what seems to be its departure from any kind of wise, multiple use mission to one almost exclusively devoted to preservation. If, in fact, preservation and preservation alone is the goal of the Forest Service, there is little sense in funding the agency at levels that are higher than when true multiple use management provided a significant commodity output in addition to providing quality noncommodity benefits, such as recreation.

ROADS MORATORIUM

I want to briefly discuss some of the recent events that highlight my concern. First, in January, Mr. Dombeck, you issued unilaterally a significant new proposed policy on forest roads. Despite the expressed request of a number of Members of both the House and the Senate, myself included, to work with the Forest Service in developing a revised roads policy, you ignored those requests and, instead, issued a policy unilaterally that would impose a moratorium on road construction in roadless areas.

This action will only further reduce your planned timber sale target, which has already been on a steady decline since 1990, by 100 million board feet based on your own estimates and significantly more over the long-term based on information from other knowledgeable sources.

In addition, I believe that your action endangers the critical road construction program essential for preserving environmental and economic health.

COMMUNICATIONS PLAN

Last month, Chief Dombeck, you announced your natural resources agenda. As a part of the communications plan for the agenda and your proposal to stabilize county payments, which is a part of that agenda, you had directed all line officers to initiate a massive public relations campaign that appears to violate laws against lobbying to influence legislation on the part of the executive branch.

GAO ACCOUNTABILITY REPORT

In yet another case, just last month, before a combined House oversight hearing on the Forest Service, Representative Norm Dicks suggested that the Forest Service should be put under the management of a control board until its accountability and performance could be improved. At that hearing, the General Account-

ing Office reported that, after a decade of conducting more than 45 audits and reviews that made hundreds of recommendations for improvement, and despite recommendations from numerous internal task forces:

> The agency has not acted on some recommendations, has studied and restudied others without implementing them, and has left the implementation of others to the discretion of its independent and autonomous regional offices.

Additionally, the GAO stated that the Forest Service is possibly, "a decade or more away from being accountable for its performance."

Well, if it is a decade or more away from being accountable for its performance, perhaps it should be a decade or more away from getting any additional appropriations.

The GAO reported on other significant performance problems, including a steadily increasing amount of overhead expenditures and an inability to account for more than $215 million in its fiscal year 1995 budget.

Chief Dombeck, I understand that you have brought your assistant, Francis Pandolfi, with you. The prospect of putting the Forest Service under a control board leads me to want to ask him several questions about these issues. As a long-time corporate businessman who has been with the Forest Service for little more than a year, I am quite interested in Mr. Pandolfi's perspectives on whether or not the Forest Service is even capable of cleaning up its accountability mess without a major and potentially painful restructuring.

For both Mr. Lyons and Mr. Dombeck, as I and several of my colleagues examined the record over the past year, it seems clear that the agency's performance and behavior represent an institutional arrogance that Congress must take strong action to correct. I expect during this hearing that significant emphasis will be placed on this problem.

I now reserve time for Senator Byrd who is not here yet. He will be asked to give his opening statement as soon as he appears.

I am sorry that I don't have a list. I see a tremendous amount of interest here on the part of my members, so I think I will just work my way down the line and start with Senator Cochran.

OPENING REMARKS OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. I welcome the witnesses and express my personal appreciation for the cooperation of Secretary Lyons and Mike Dombeck on some initiatives that we are undertaking in my State of Mississippi in the national forests. We, for a long time, have found that it is a good place to experiment with wildlife habitat enhancement initiatives. We have some programs underway there which I have visited and become aware of for which I want to compliment you.

FRANKLIN COUNTY LAKE

We hope to get more cooperation in the future on the development of the Franklin County Lake on the Homochitto National Forest. I have tried to visit all the forests and stay in touch with what is going on there, not only in terms of the programs for managing

the timber resources but also in the management of the entire natural resource that the forests provide in our State.

So with those, I think, more kind and gentle words, which may be refreshing to hear, we look forward to continuing to work with you and trying to solve the problems that we face in our State and in the Nation as well.

Thank you, Mr. Chairman.

Senator GORTON. Senator Campbell.

OPENING REMARKS OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thanks, Mr. Chairman.

I also welcome Chief Dombeck. I am not going to belabor this, but I also had expressed some concern and opposition to that roadless moratorium to which you spoke.

ROUTT NATIONAL FOREST WIND STORM

We have had a lot of calls from our constituents, particularly in western Colorado, concerned about that. I am sure we will get into that. But I did want also, on the other hand, to thank Chief Dombeck for helping us get that emergency appropriation for what was called the blow down. We lost something like 13,000 acres of trees and we did get some help from the Forest Service manager and the local economies. But also it appears that the Forest Service is going to allow some limited logging, maybe of about a third of it or so. I think that is very timely because once those trees are down and dead, as you know, they don't last too long before the bugs get them.

So I appreciate your looking into that and trying to move that logging forward as quickly as you can.

Thank you, Mr. Chairman.

Senator GORTON. Senator Craig has asked to join us here today. He is a member of the full committee, though not a member of this subcommittee, as I remember. But he is the chairman of an analogous subcommittee of the Committee on Energy and Natural Resources.

Senator Craig.

OPENING REMARKS OF SENATOR CRAIG

Senator CRAIG. Mr. Chairman, thank you for the courtesy. I do appreciate it and am pleased to be here to question the chief and the secretary this morning as we deal with their budgets.

As you know and as many on this committee know, for the last 2½ years I and my Subcommittee on Forestry have held probably the most extensive series of oversight efforts—now I believe over 20-odd hearings or more—on the U.S. Forest Service. We have looked at it from top to bottom. We have gone through two chiefs and all the retired chiefs. Mr. Lyons has been before us on numerous occasions.

I am told that it is probably now one of the more extensive reviews of the Forest Service since the days of Hubert Humphrey, when we did the National Forest Management Act in the 1970's. From that we have attempted to produce some legislation that ad-

dresses some of the problems that all of us are concerned about today.

The difficulty with all of that, Mr. Chairman, is that, while the Forest Service has been a cooperating agency to provide us with the information, they and the administration have staunchly resisted any effort to change, to adjust, or to even work in a way with Congress that would assist in bringing about some of these concerns that are now being expressed.

And, of course, as we know, the GAO on I don't know how many occasions now has looked at the Forest Service with great detail only to say just exactly what you said, Mr. Chairman, and that is that this is an agency with great problems that cannot fix itself.

Now I had an opening statement prepared. But let me say to the chief this morning what I am about to do. I noticed that the President yesterday, on Earth Day, suggested that our national forests are more than a mere paper plantation. Then he went on to talk about what they ought to be.

MANAGEMENT PROBLEMS

Chief, the problem is not that we want to cut trees and the President doesn't get it. The problem is you. The problem is Mr. Lyons. The problem is the management of the U.S. Forest Service. It is not an agency in the red for the first time in its history. Its budgets are in shambles.

So, Mr. Chairman, what I will do this morning is only read what the Christian Science Monitor said this morning.

Now that is not a conservative paper. It is not a liberal paper. It may be slightly center of green on its positions as relates to the environment. It said this: "Behind the beguiling public service ads featuring Smokey the Bear and his woodland friends lies an unpleasant story of bad management. For more than 10 years * * *" and I will have to recognize that you have not been there for 10 years, Chief. So all the blame cannot totally rest on your shoulders. But fixing it has to.

"For more than 10 years now, the U.S. Forest Service has been promising everybody—itself, its parent, Department of Agriculture, and Congress—that it would get its act together. But recent testimony by the General Accounting Office, Congress' investigative arm, reveals its inability to collect revenues, its inefficiencies, its outright waste that have cost taxpayers hundreds of millions of dollars.

"The Forest Service often doesn't get fair market value for goods. Private concessions, resource lodges, marinas, guides, services aren't paying what they should. The service does not collect enough from rights-of-way, pipelines, power cables, communication wires. Instead of sealed bids for timber, it relies on oral bids, losing some $50 million a year."

Well, I may agree with some of that. I don't agree with all of that. But there is a problem there.

"The agency has done little to reduce costs. The 1995 internal report showed it was losing up to $100 million a year from inefficient decisionmaking. It took 10 years and $13 million simply to revise the management plan of Alaska's Tongass National Forest." I mean, 10 years.

"It loses money because it often doesn't comply with environmental and planning requirements. It's financial statements are unreliable and cannot account for millions in spending. It has weak contracting practices. It put $443 million at risk of waste, fraud, and abuse. Field offices don't comply with Federal purchasing requirements.

"In Fiscal 1995, the service could not figure out how it spent $215 million of its $3.4 billion in operating and program funds. It doesn't know what its assets are worth or the actual value of its multi-billion dollar maintenance backlog.

"Amazingly, its 4-year-old computerized accounting system can't cope with the year 2000 problem.

"The GAO estimates it could take 10 years," as the chairman referenced, "to fix the basic problems. The time to start is now.

"The White House, the Agriculture Secretary and Congress' oversight and Appropriations Committees must act. The Forest Service should be held accountable if it doesn't improve soon. Senior personnel should be replaced if progress isn't evident. Congress must structure the service's budget to get results.

"America's precious forests and the wildlife they shelter, a resource that belongs to all of us, deserve no less."

That is the Christian Science Monitor this morning, in part in response to what the President said yesterday.

The Congress has acted: 2½ years, 20-plus oversight hearings, all of us pleading for cooperation and help to get this job done.

Mr. Lyons, you promised to help us 3 years ago. Yes; we've got a problem. Yes; it needs to be fixed.

BIPARTISAN SOLUTIONS

I don't know how many times I have asked you to come and sit down and build a congressional-administrative bipartisan effort to solve the problem. And we have been turned down flatly.

The problem is not cutting too many trees. The problem is not the people of my State and the school districts that now go wanting because of your mismanagement.

I met with all of the school superintendents in 10 northern forest bound counties that are having to consider next year's school budgets, cutting them, maybe going to 4 day weeks, or dramatically taxing the very limited private base that they have. Why? It is because the Forest Service cannot manage. That is why.

Am I concerned today? I came back from my State steaming—a State that is so beautiful it raises now hundreds of times more trees than it even considers cutting; a State this morning where the skies are filled with smoke over Boise because now you are burning.

Idaho is very frustrated. I am very frustrated. And the Forest Service is in shambles.

We deserve better. The forest deserves better. And the professional people of the Forest Service deserve better than what they are getting.

Thank you, Mr. Chairman.

Senator GORTON. Senator Domenici.

Senator DOMENICI. I have some questions and I will hold off until then.

Thank you very much.

Senator GORTON. Senator Burns.

PREPARED STATEMENT OF SENATOR BURNS

Senator BURNS. I have a statement. I will just put it in the record and I will make my statement as we ask questions.

Thank you.

Senator GORTON. That's fine.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you, Mr. Chairman. I find this to be one of the most important hearings we have in the Appropriations process. The state of Montana has a great deal of land under the authority of the National Forest Service. So any decisions made in Washington have a direct impact on the citizens of Montana, and their ability to do live and do business. Unfortunately in recent years those decisions have had a very negative impact on the people in Montana.

Due to the decisions of this Administration in relation to the Forest Service, I have had to come to this and other subcommittees asking for assistance for communities that have seen their way of life threatened. These decisions ranging from the Northwest Forest plan to the recent moratorium on roads have placed many of the communities in Montana in a very delicate situation. They are living on the edge and their ultimate survival is threatened by these decisions and actions.

I remember a time when the Forest Service was very highly looked upon in the field. The staff and the people in the field were a real part of the land and their communities. Unfortunately this is no longer the case. People now look down upon the Forest Service. This places those people in the field and on the ground in a very difficult position in dealing with their neighbors.

The future of the Forest Service is about as dark as I have ever seen it. People just don't seem to think that this agency can do it's job in a reasonable and workable manner. This of course should not be seen as a reflection on the people in the field, but instead a condemnation of the decision making processes and the management decisions made in Washington.

The recent decision on the moratorium of road construction is just one example. This decision has placed the people on the ground to make decisions and react to this plan in a manner which has complicated the life of people out there just trying to make a living. Without consultation with either Congress or the population, in the areas effected, the Washington office made a decision which does effect us all in various ways.

Recently, Chief Dombeck came before the Energy and Natural Resources Committee to defend his budget. Throughout this hearing the Chief emphasized his desire to consult and work with Congress and it's committees on land use policy. I have not seen any real evidence of that action yet. Which makes me wonder just how committed this Administration and this Chief are to making this all work.

Even more recently Senator Baucus, Congressman Hill and I introduced legislation to complete the final phase of the Gallatin National Forest land consolidation. We worked on this with the understanding that the Forest Service had completed a great deal of the work on the appraisal necessary to equate the lands to be exchanged.

During the recent recess I found that this work was far from being completed. This lack of action on the part of the Forest Service places the completion of this land exchange in peril. This is unacceptable considering the time they have had to work on this very land exchange. I have discussed this with the Chief during a recent meeting, in my office, and it is my hope that this will speed up the process and get this action moving.

Since I am on the topic of land exchanges, let's move on the Royal Teton Ranch exchange in Montana. This is the land located directly north of Yellowstone National Park. The Administration included this land acquisition in the $699 million package which came to this committee earlier this year. A sore topic with both this committee and the committee which has authorization authority over most of this land acquisitions, but let's get beyond that. On this list the Forest Service was committing a total of $6.5 million to the purchase of this land. I am concerned how negotiations for this land are moving forward.

Chief Dombeck I am sure you are aware of the concerns I have about this land exchange. It is imperative that the State of Montana continue to have authority

over the wildlife that come into this area, and believe it or not it is my opinion as well as that of Governor Racicot that the Forest Service is in the best position to manage this land area.

What I am hearing from numerous sources however, is that the Department of the Interior wants to keep authority here. I need you Chief Dombeck, to step up and work with the Governor and the people of the state to protect the interests of the state. As I have stated your agency is in the best position to manage these lands and make sure that Montana is protected.

I could continue on but think it is important that we hear from the Chief before we all have to move on to other responsibilities. I am committed to working with both the Chairman and the Ranking Member to put together an appropriations bill that we can all get behind and support. Thank you Mr. Chairman for this hearing and for the time this morning.

SUMMARY STATEMENT OF HON. JAMES R. LYONS

Senator GORTON. We will have statements now from our two chief witnesses.

Secretary Lyons, you are first. As always, your full written statements will be included in the record.

You have gotten sort of a hard time up here. So if you want to start out informally and use your oral time in that respect, you are, of course, free to do so.

Mr. LYONS. I appreciate that very much, Mr. Chairman, and I appreciate the opportunity to appear once again before the subcommittee.

Senator Craig, let me just say that I would be pleased to meet with you at any time. And, in fact, you may not be aware, but I recently accepted an invitation to join you and Ms. Chenoweth in Idaho, I believe on May 17, to look at forest management issues there. It is something we have tried to set up for about a year. So I would be glad to come out and join you.

Senator CRAIG. It's one thing we are doing there that is a good thing both you and I have done.

Mr. LYONS. Good. I will look forward to that trip, then. Thank you, Senator.

Mr. Chairman, I know that the Chief and Francis and I are prepared to address all the questions that have been raised today in your opening statements. What I would like to do in my opening time, however, is to focus in on some of the issues and controversy obviously surrounding the Forest Service budget, particularly related to correspondence that we have received from Chairman Murkowski, subcommittee Chairman Craig, Chairman Young, and subcommittee Chairwoman Chenoweth on the House side related to our budget and concerns related to how we are investing taxpayer dollars in the management and stewardship of the national forests.

As I said, recently we received a letter regarding agency management direction. That letter raised the specter of funding the national forest management at what was termed a custodial level.

If I could, Mr. Chairman, Chief Dombeck has already provided a response. What I would like to do this morning is offer some of my own perspectives on that letter. I would like to submit the letter as well as the Chief's response for the record.

Senator GORTON. The letter will be included in the record.

Mr. LYONS. Thank you very much, Mr. Chairman.

[The information follows:]

LETTER FROM SENATOR FRANK H. MURKOWSKI, SENATOR LARRY E. CRAIG, REPRESENTATIVE DON YOUNG, AND REPRESENTATIVE HELEN CHENOWETH

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, February 20, 1998.

Hon. MIKE DOMBECK,
Chief, U.S. Forest Service, U.S. Department of Agriculture, Washington, DC.

DEAR MR. DOMBECK: As you know, there is presently very little agreement on a discrete mission for the National Forest System. Consequently, there is no consensus on appropriate governing statutes, nor any real collaboration within government or among competing interests in setting management goals. Neither Congress, the Administration, nor the Forest Service have been able to consider together, let alone find, cost efficient and effective ways to streamline the legislative, regulatory, and legal morass in which the Agency currently finds itself. In the face of continuing controversy over Forest Service management, it is increasingly clear that the costs of managing the National Forest System are increasing (in some cases dramatically) and may, in the view of some, outweigh the benefits being received by interest groups, communities, and the public. While it is painful for us to contemplate, the time may have come to instead consider ways to reduce the investment of billions of dollars each year in light of the increasingly diminished returns on that investment.

This is not our preferred course. But the trend of present events—accelerated by some of the Administration's own initiatives—suggests we may be moving in this direction irrespective of our preferences. Consequently, we would like your assessment of the costs and savings from converting to custodial management of the National Forest System. We also would like your assessment of the savings that might be available—through down-sizing the agency, out-sourcing some management functions, or other alternatives—to match such a management approach. In order to accurately and thoroughly assess what a conversion to custodial management might mean—particularly if events are already moving in this direction—we need to more fully understand both the biological and financial implications of this management strategy.

Most Americans believe that each generation should leave the public resources in a better condition than they received them from their parents. Thus, we first want you to generally assess: (1) how past management has changed the condition of the federal lands in the last 100 years; (2) the condition they are in today, compared to what the current forest plans call for; and (3) the ecological condition of those lands if no vegetative management or man-induced, prescribed fire are practiced on the National Forests System for the next 100 years.

As you are aware, many forest ecosystems in the West are currently severely overstocked, and becoming progressively more so. The age-class distribution of their forests suggests they are increasingly susceptible to natural pathogens and catastrophic fires. If Congress were to direct the Forest Service to manage National Forest System stands under only custodial management—with only the most limited active management intervention and fire suppression limited to avoiding spread to other ownerships—what will be the biological conditions of these forests in one hundred years? Specifically, how much less productive would soils be due to severe erosion after fire? How will wildlife and fisheries resources be affected by radical changes to habitat conditions?

Turning to the financial part of the question, we recognize there are a limited number of activities which must continue under even a custodial management regime. For example, some fire suppression must be continued (to avoid spread to other ownerships). We also understand that a limited amount of land line location and survey work must be carried out to ensure the integrity of National Forest boundaries. Additionally, the Forest Service will incur costs to maintain right-of-way access to private lands within the National Forests. There will also be some costs associated with wildlife and fisheries restoration and enhancement work which must be carried out in the National Forest System under any fully approved Endangered Species Act (ESA) Recovery Plan (this is distinguishable from the costs of any restoration and enhancement work which is discretionary, whether or not that management is prescribed in existing forest plans, which would not be part of a custodial management regime and would occur naturally more slowly). Additionally, funds will be needed to administer existing contracts, permits, leases, or other instruments—through the termination date of these instruments. Finally, funds will be needed to cover the cost of maintaining only those roads in the National Forest System which are currently designated as a Federal, State, or County highway, road, or right-of-way, and any recreation facility that is accessible from such a road.

We assume continued management of any recreation facility that is still accessible and would want to evaluate the costs and how they should be borne, including management by other entities.

Please provide an estimate of what the above efforts would likely cost on an annual basis. Additionally, if you feel any other work will be required to properly discharge custodial responsibilities, please provide us with the legal citations which list the work you believe will be needed, along with the specific legislative language which directs the additional management.

In addition to the above information, please provide specific answers to the following questions and transmit your response no later than March 20, 1998. We intend to discuss these issues with you in a preliminary way at our budget oversight hearings in late February and early March. Your prompt and more detailed response will help us develop our final Committee recommendations for the Forest Service fiscal year 1999 Budget.

1. Please provide the total amount of acres in the National Forest System as of October 1, 1997.

2. Please provide the total number of acres, under the existing National Forest Management Act (NFMA) forest plans, available for active management for the production of commodity and non-commodity goods and services in the National Forest System as of October 1, 1997.

3. Please list all management activities which will have to be carried out under a custodial management regime. Please also provide the statutory citation which requires this work to be carried out in a specific area or areas (please be specific and quote the actual language which requires this work to be carried out).

4. Please provide the current number of Full Time Equivalent (FTE's) positions employed by the U.S. Forest Service in all three arms of the Agency.

5. Please provide the number of the employees, the salaries, and other compensation which could be saved by shifting to custodial management, as described above, with any additions you believe necessary. Include savings in support functions which would no longer be necessary. Exclude from these savings the estimated cost of providing the following management activities: (1) the decadal per acre average cost of providing fire protection (pre-suppression and suppression) times the number of acres so treated per decade to prevent the spread of fires to adjacent ownerships; (2) the cost of any land line surveys planned over the next decade; (3) the expected annual cost of administering existing grazing, mining permits, and mining claims and special use permits; (4) any costs for maintaining roads needed to maintain access to private in-holdings; and (5) the minimum cost of stream or habitat rehabilitation work required under existing, approved ESA Recovery Plans.

6. Please provide the fiscal year 1998 per-acre cost of management of the lands entrusted to the Forest Service. This cost should be computed based on the funds appropriated for the National Forest System and the authorized expenditures of trust funds in fiscal year 1998 divided by the number of acres entrusted to the U.S. Forest Service.

7. Please estimate any additional or reduced costs of fighting wildfire in the National Forest System given the more limited road access mentioned, and a de-emphasis on suppression that does not threaten other ownerships.

8. Please describe the number of person days and the associated cost in the Forest Service, the Department of Agriculture, Department of Justice, and the Council on Environmental Quality that have been expended each of the last five years related to conflicts over current management. Please also estimate how much money was spent, in each of the last five years, to deal with appeals and lawsuits over National Forest System management. Include costs associated with support functions and a description of how these costs were calculated.

9. Please estimate the cost of reducing the number of FTE's to a level needed to carry-out custodial management on all National Forest System acres (comparable to 1950's management). Assume that the Agency will only be able to use existing early-out authority or Reduction in Force (RIF) authority. Also, assume that the Agency will have to absorb the cost of these reductions. In calculating these cost estimates, assume necessary reductions would occur early in fiscal year 1999 or early in fiscal year 2000 using orderly RIF or other appropriate procedures.

10. According to the fiscal year 1998 Presidential Budget Request, driving for pleasure is the most popular recreational use of the National Forest. In a recent Journal of Forestry article, the President of the Society of American Foresters is quoted as saying less then 4.5 percent of the recreation use on the National Forests occurs in the congressionally-designated wilderness areas. Please describe the reductions in on-road and off-road visitor use which are likely to occur as a result of a custodial management regime which allows only those roads currently listed as part of the Federal, State, or County road systems to remain open. Assume other agen-

cies will shoulder the administrative responsibility and cost of road maintenance. Additionally, estimate the loss in recreation user fees which will be experienced as a result of such a policy.

11. Please provide an analysis of the portion of the fiscal year 1998 Forest and Environment Research budget that is spent in direct or indirect support of National Forest System management programs. Please specify what percentage of this would be necessary to support a custodial management regime.

12. Similarly, please provide an analysis of the portion of the fiscal year 1998 State and Private Forestry budget that is spent in direct or indirect support of National Forest System programs. Please specify what percentage of this would be necessary to support custodial management.

As you might guess by these questions, we are trying to respond to questions about whether it is financially or environmentally prudent to continue to shift to management regimes that are more costly and produce less benefits. Since you seem bent on producing fewer and fewer results from the National Forests at rapidly increasing costs, many will press Congress to seriously consider the option to simply move to custodial management of our National Forests in order to stem the flow of unjustifiable investments. That will mean the Agency will have to operate with significantly reduced budgets and with far fewer employees. Before taking this step though, it is only fair to let the Forest Service articulate how our National Forests and the various constituencies might fare under a carefully considered custodial management regime.

Sincerely,

FRANK H. MURKOWSKI, *Chairman,*
Senate Committee on Energy and Natural Resources.
LARRY E. CRAIG, *Chairman,*
Subcommittee on Forests and Public Land Management.
DON YOUNG, *Chairman,*
House Committee on Resources.
HELEN CHENOWETH, *Chairman,*
Subcommittee on Forests and Forest Health.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, DC, March 25, 1998.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: Thank you for your letter of February 20, 1998. Like you, I am deeply committed to the wise and careful management of our national forests for the use and benefit of present and future generations. Your letter recognizes that achieving this objective can sometimes be controversial. As our first Chief, Gifford Pinchot, stated over 100 years ago, management of the national forests involves "many great interests, which sometimes conflict a bit."

Your letter implies that the mission of the Forest Service has somehow changed, presumably because of the decrease in commercial timber harvest. As a consequence, you suggest the Forest Service has taken on a "custodial" role in management of the national forests and the Agency's budget and funding should be reduced. I take a different view.

I believe that the reduction in timber harvest and the dramatic increases in use and demand of the national forests for other values such as recreation, drinking water production, and fish and wildlife habitat does not translate to a changed mission for the Agency. Rather, it speaks to the increased importance of national forests to the lives of all Americans. Certainly, timber harvest and the production of other commodities will continue on national forests. But these activities must take place within the context of maintaining and restoring watershed health and sustainability.

Indeed, the use and management of national forests has changed significantly in recent years. Such change is inevitable as we respond to different social values, new scientific knowledge, and renew our commitment to ensuring the long-term health, diversity, and productivity of the land. These changes do not reflect a "new mission." In fact, over 100 years ago, Congress wisely defined the mission of national forests

to go far beyond timber and other commodity production. In 1897, Congress defined the purpose of the national forests through the Organic Act:

"[To] improve and protect the forest within the boundaries, or for the purposes of securing favorable conditions of water flows, and to furnish a continuous supply of timber for the use and necessities of the citizens of the United States."

The three primary goals of the Organic Act, protecting the forest, protecting watersheds, and providing sustainable supplies of timber, parallel the Forest Servicer's recently announced natural resource agenda for the 21st century. The natural resource agenda focuses on four key areas: watershed health and restoration, sustainable forest ecosystem management, forest roads, and recreation. The agenda was developed by my leadership team and, I believe, is squarely in line with both Congress' goals in establishing the national forests and the conservation values of mainstream America.

Our agenda, the Strategic Plan we are developing under the Government Performance and Results Act, and our 1999 budget request reflect a vigorous program of active management of the national forests. In the coming years, we look forward to working with you and your colleagues, local communities, and all who use and care for national forests to further refine and implement our agenda. We do not believe that the American people would expect, or deserve, any less.

Our answers to your specific questions are enclosed. I have sent an identical response to Chairmen Craig, Young, and Chenoweth and a copy to each of the respective ranking Democratic members.

Sincerely,

MIKE DOMBECK, *Chief.*

Enclosure.

RESPONSES OF U.S. FOREST SERVICE

I. In response to the questions in the third paragraph on the first page of your letter, we have briefly summarized some of the history and ecological changes on National Forest System (NFS) lands:

Evolution of Federal land management.—During most of the 19th Century, it was national policy to transfer substantial portions of Federal (Public Domain) lands to private use and ownership. During this period, more than 1 billion acres, or over half the land area of the United States was transferred from Federal to non-Federal ownership. The period from 1900 to World War II was one of consolidation and limited management for most Federal land management agencies. From 1896 to 1910 the area of forest reserves (national forests) rose from 18 to 168 million acres.

By the late 1800's. tens of millions of sheep and cattle were being grazed on these Federal lands. Efforts to bring livestock numbers down to the carrying capacity of the land were a primary focus of Forest Service managers during the pre-World War II period. Nationally, another main focus of Forest Service efforts was the control of wildfire. Prior to the 1930's, uncontrolled wildfire annually devastated large areas of public and private wildlands. Wildfire prevention and suppression became the focus of highly successful cooperative efforts among Federal agencies and State and private landowners. By 1960, the average annual area consumed by wildfire was reduced by more than 90 percent.

The expanding economy following World War II created a substantial increase in the demand for timber. National forest and Bureau of Land Management timber sale levels increased from 2–4 billion board feet per year in the late 1940's to 11–14 billion board feet in the 1960's and beyond. By the 1960's, Federal forests were meeting almost 20 percent of the Nation's total consumption of wood volume. National forest recreation visitation also increased dramatically; annual visits increased from about 5 million in the early 1920's to 18 million in 1946, 93 million in 1960 and 233 million in 1975.

The use of clearcutting as a forest management tool increased dramatically on the national forests after World War II. Much of the public concern over national forest land management practices was focused on the visual and ecological effects of clearcutting. These conflicts led eventually to the passage of the National Forest Management Act of 1976. The level of national forest timber sales has declined from an annual average of 10–12 billion board feet during the 1960's, 1970's, and 1980's, to 3–4 billion board feet today.

Current Condition of NFS lands.—Given the varied history of NFS lands, it is difficult to summarize their current condition. There are substantial differences between NFS lands in the East and South, those in the interior West, and those on the Pacific Coast and Alaska. The condition of NFS lands in the East and South has improved dramatically over the last century. After millions of acres of abandoned and depleted farm and forest lands became NFS lands, feral cattle, dogs, and

goats were eliminated and the land rehabilitated. Today, these areas provide superb habitat supporting rich populations of many wildlife species.

Many ecosystems within the national forests were originally subject to relatively frequent low-intensity wildfires as well as occasional stand-replacing conflagrations. The forest ecosystems most in trouble tend to be those formerly subject to a frequent, low-intensity fire regime, particularly forest ecosystems of western national forests where fire frequency has been substantially reduced. When fires do occur in these areas today, they are often destructive, soil and watershed damaging, stand-replacing fires. Strategies for the restoration of ecosystem health in such areas often involve the use of prescribed fire, frequently in conjunction with mechanical treatment.

In higher elevation forests, which tend to be cooler and moister, the ecological effects of fire exclusion are typically less profound than in the lower elevation forests, at least over the short term. But even in these forests, reduction in fire frequency has had substantial ecological effects. Aspen communities have been reduced substantially, and many meadows and openings have diminished in size or have disappeared altogether. The ecological diversity and "patchy-ness" of the forest landscape has been reduced. Such forests are subject to increased insect epidemics and to larger and more intense stand-replacing conflagrations than typically would have occurred in the past.

Introduced exotics also present major biodiversity and ecosystem health problems in some areas, especially on rangelands in the West and forestlands in the East and South.

II. The following information is provided in response to the numbered questions commencing near the bottom of the second page of your letter:

Question. Please provide the total amount of acres in the National Forest System.

Answer. The National Forests and Grasslands encompass 191,644,936 acres.

Question. Please provide the total number of acres, under the existing National Forest Management Act (NFMA) forest plans, available for active management for the production of commodity and non-commodity goods and services in the National Forest System.

Answer. Commodity and non-commodity goods and services encompass a myriad of activities including, but not limited to recreation, wilderness, grazing, timber and mineral production, fishing, water supplies, heritage, and other aesthetic values. All 191.6 million acres of Forest Service lands produce commodity and non-commodity goods and services related to these benefits.

Question. Please list all management activities which will have to be carried out under a custodial management regime. Please also provide the statutory citation which requires this work to be carried out in a specific area or areas.

Answer. We are not certain what "custodial management" means. In your letter you outlined some of the components that you would include under a custodial regime. Your partial list includes a limited number of activities to be implemented under your custodial regime. We would not be able to limit our management to such a narrow list given the vast body of laws and statutes that guide our work. We would need specific direction on which of the laws would not require enforcement under your interpretation of custodial management.

Question. Please provide the current number of FTE positions employed by the Forest Service in all three arms of the agency.

Answer. Based on information provided in the fiscal year 1999 President's Budget for the Forest Service, the total number of FTE positions for fiscal year 1998 is 36,311 in the three arms of the Agency.

Question. Please provide the number of employees, the salaries, and other compensation which could be saved by shifting to custodial management as described above, with any additions you believe necessary. Include savings in support functions that would no longer be necessary.

Answer. As in the response to question 3, we have only a limited understanding of what you mean by "custodial management." Forest Service actions are guided by many laws, and we are mandated to carry out a range of activities under those laws. It is impossible for us to identify which activities we would not undertake.

Question. Please provide the fiscal year 1998 per-acre cost of management of the lands entrusted to the Forest Service. This cost should be computed based on the funds appropriated for the National Forest System and the authorized expenditures of trust funds in fiscal year 1998 divided by the number of acres entrusted to the U.S. Forest Service.

Answer. Based on information provided in the fiscal year 1999 Explanatory Notes to Congress, the fiscal year 1998 budget directly impacting Forest Service lands is approximated below:

Fiscal year 1998 budget directly impacting Forest Service lands

NFS	$1,348,377,000
Wildland fires	584,707,000
Reconstruction/construction [1]	162,308,000
State and private forestry [2]	16,500,000
L&WCF [3]	52,976,000
Other [4]	5,090,000
Subtotal appropriated	2,169,958,000
Permanent appropriations [5]	260,098,000
Trust funds	261,885,000
Grand total	2,691,941,000

The cost per acre of management would be calculated as $2,691,941,000 divided by 191,644,936 acres, or about $14 dollars per acre.

[1] Excludes $2,737,000 for Research Construction.
[2] Only includes the insect and disease prevention and suppression portion of the Forest Health Management budget line item.
[3] Excludes special one-time Title V Land Acquisition amount of $167 million.
[4] Excludes $92,000 for Gifts, Donations and Bequests.
[5] Excludes Payments to Counties and States.

Question. Please estimate any additional or reduced costs of fighting wildfire in the National Forest System given the more limited road access mentioned, and a deemphasis on suppression that does not threaten other ownerships.

Answer. As stated in our response to questions 3 and 5, we do not have enough information to develop or evaluate a "custodial management" scenario. We do note that our current preparedness organization is designed around protecting high value resources, including lives and private property. Shifting to a less active management regime might increase, rather than decrease, fire suppression costs if access was more limited and vegetation was not managed to reduce fire spread and intensity.

Question. Please describe the number of person days and the associated cost in the Forest Service, the Department of Agriculture, Department of Justice, and the Council on Environmental Quality that have been expended each of the last 5 years related to conflicts over current management. Please also estimate how much money was spent, in each of the last 5 years, to deal with appeals and lawsuits over National Forest System management. Include costs associated with support functions and a description of how these costs were calculated.

Answer. Based on estimates from the Forest Service regions and Washington Office, the Forest Service spent an average of $5.1 million annually on processing appeals in the last 5 years, and $4.9 million annually on litigation. The Office of the General Counsel estimates it spent an average of $0.3 million annually on appeals and $2.2 million on litigation in the same period. We have no information on expenditures of the Department of Justice or the Council on Environmental Quality.

Question. Please estimate the cost of reducing the number of FTE's to a level needed to carry-out custodial management on all National Forest System acres (comparable to 1950's management). Assume that the Agency will only be able to use existing early-out authority or Reduction in Force (RIF) authority. Also, assume that the Agency will have to absorb the cost of these reductions. In calculating these cost estimates, assume necessary reductions would occur early in fiscal year 1999 or early in fiscal year 2000 using orderly RIF or other appropriate procedures.

Answer. As in the response to question 3, we are unclear as to the definition of custodial management. Forest Service actions are guided by just under 200 laws, and we are mandated to carry out a range of activities under those laws. It is not possible for us to identify which activities we would not undertake.

As for the changes in FTE totals, the fiscal year 1999 President's Budget reflects a total of 35,526 FTE's. Barring other changes, such as an authorized buyout, we would estimate that fiscal year 2000 would reflect a similar total.

Question. According the fiscal year 1998 Presidential Budget Request, driving for pleasure is the most population recreational use of the national forests. In a recent Journal of Forestry article, the President of the Society of American Foresters is quoted as saying that less [than] 4.5 percent of the recreation use on the national forests occurs in the Congressionally-designated wilderness areas. Please describe the reductions in on-road and off-road visitor use which are likely to occur as a result of a custodial management regime which allows only those roads currently listed as part of the Federal, State or county road systems to remain open. Assume other agencies will shoulder the administrative responsibility and cost of road main-

tenance. Additionally, estimate the loss in recreation user fees which will be experienced as a result of such a policy.

Answer. Again, answering this question with precision is difficult because we do not understand what is meant by "custodial management." Would all 373,000 miles of forest roads be closed, or would the 20 percent of the roads that handle an estimated 80 percent of the recreation use remain open?

Question. Please provide an analysis of the portion of the fiscal year 1998 Forest and Environment Research budget that is spent in direct or indirect support of National Forest System management programs. Please specify what percentage of this would be necessary to support a custodial management regime.

Answer. The Forest Service conducts research in accordance with the authorities described in the Forest and Rangeland Renewable Resources Research Act of 1978 (92 Stat. 353, as amended; 16 U.S.C. 1600 (note), 1641 (note), and 1641–1648. There is no reference in the 1978 Act to 16 U.S.C. 1609, which defines the National Forest System, nor does the 1978 act contain any direction or limitation, expressed or implied, that research shall only pertain to national forests. Rather, the 1978 act explicitly states purposes and authorizations that apply to all the Nation's forests:

—Section 2(a)(1) states, "Congress finds that scientific discoveries and technological advances must be made and applied to support the protection, management, and utilization of the Nation's renewable resources * * * ."

—Section 3(a) states, "The Secretary is authorized to conduct, support, and cooperate in investigations, experiments, tests, and other activities the Secretary deems necessary to obtain, analyze, develop, demonstrate, and disseminate scientific information about protecting, managing, and utilizing forest and rangeland resources in rural, suburban, and urban areas."

—Section 3(a)(5) provides for the Forest Inventory and Analysis and Forest Health Management programs as does Section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974.

—Section 4(c) states, "In implementing this Act, the Secretary may cooperate with international, Federal, State, and other governmental agencies, with public or private agencies, institutions, universities, and organizations, and with businesses and individuals in the United States and in other countries."

—Each of the four program areas in Forest Service Research and Development simultaneously support management activities on private lands, State and other Federal lands, as well as the national forests. For example, research addressing wildland-urban interface management issues is useful to the residents and local governments at the interface, without respect to whether the wildlands are national forests, State forests, or privately owned forests. Providing research results to private landowners and State and local governments is how forest research began in the Department of Agriculture. In fact, forest research within the Department of Agriculture began in the mid-1870's—30 years before the forest reserves were transferred to USDA in 1905. Since then, research results have often benefitted private, State, and Federal resource management simultaneously. Attempting to distinguish research specific to the national forests from research applicable to the Nation's forests creates false distinctions because the same cover types and ecological conditions exist on a variety of land ownerships.

—There is an increasing demand for intensive forest management research that benefits the national forests and grasslands, along with other Federal, State and private lands. These landowners have traditionally obtained this information from Forest Service Research and Development. As ecological conditions change, new knowledge and technology will be needed to track and predict forest conditions and effects at the stand, watershed, and landscape levels. These will be truly unique research and development needs the Forest Service is best suited to provide.

Question. Please provide an analysis of the fiscal year 1998 State and Private Forestry budget that is spent in direct or indirect support of the National Forest System programs. Please specify what percentage of this would be necessary to support custodial management.

Answer. About $16.5 million (45 percent) of the Federal lands expanded budget line item of the Forest Health Management budget line item directly or indirectly supports NFS programs through insect and disease prevention and suppression. (The remainder supports activities on other Federal and State and private lands.) This support includes:

—forest insect and disease survey and monitoring to detect and evaluate pest outbreaks,

—financial and technical assistance for prevention and suppression treatments for native and exotic pests,

—technical assistance to land managers in insect and disease prevention, pesticide use, hazard tree recognition, and biological control of noxious weeds,
—participation of insect and disease specialists in forest plan development and implementation,
—development of pest-resistant trees to restore species that have been seriously impacted by exotic diseases (for example western and eastern white pines and Port-Orford cedar).

Again, without a clear definition, we are unwilling to engage in a speculative exercise to define or evaluate a hypothetical custodial management scenario.

NATIONAL FOREST SYSTEM MANAGEMENT

Mr. LYONS. The letter states, "There is presently very little agreement on a discreet mission for the National Forest System." Obviously, I disagree with that.

Both the Forest Service mission and the mission of the National Forest System are clear and well defined in statute and regulation and in agency policy. As an administration, we have worked hard within the parameters of current law to try to resolve many resource management issues—everything from conflicts over old-growth forests in the Pacific Northwest to concern about agency consultations under the Endangered Species Act.

As you know, Mr. Chairman, you and I have worked through a number of difficult issues over time and I appreciate your help and guidance as we have tried to deal with those issues.

While values differ and the interests of one constituency may, at times, be at odds with the desires of another, we have tried to seek balance, reason, and dialog among those interests as a means of resolving these difficult issues.

We continue to be guided by sound science and professional judgment while placing greater emphasis than others may have on seeking local input and advice.

The national forests are managed by law for multiple use. This requires, by statute, that these lands be managed for the production of wood, water, fish and wildlife, range, and recreation, without concern for the use that returns the highest profit.

We continue to work to seek efficiencies. But the returns on investment cannot and should not be measured by net revenues returned to the Treasury or board feet produced.

In fact, the Multiple-Use, Sustained Yield Act of 1960 calls for:

Harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output.

NATURAL RESOURCES AGENDA

Seeking the highest net social public benefits from national forests requires that these other benefits are considered and addressed.

In February, Chief Dombeck made a presentation to agency employees regarding his view of the agency's mission. His natural resources agenda included a focus on watershed health, sustainable forest management, the critical issue of forest roads, and the values of outdoor recreation. I know that Mike will provide you more detail in his remarks. But I believe that what Chief Dombeck stated clearly and unequivocally is his view of the agency and national

forest mission, to answer the specific and primary concerns in the letter that he received.

Although the Chief's agenda has generated some controversy, I would assert, Mr. Chairman, that what Mike has rolled out is really the result of the evolution in thinking of the agency and of its leadership over the past decade or so.

NATIONAL RECREATION STRATEGY

For example, former Chief Dale Robertson distinguished himself as a leader in promoting recreation on the national forests. During his tenure, the Forest Service announced its National Recreation Strategy, which was the forerunner of the outdoor recreation strategy which is focused and refined in Mike's agenda. In fact, Chief Robertson's strategy was in response to the work of the President's Commission on America's Outdoors, which was initiated by President Bush.

Chief Dombeck's focus on watershed health and sustainable forestry are also the product of an evolution in the thinking of the forestry community and Forest Service leadership about key natural resource issues.

COURSE TO THE FUTURE

You may recall that Mike's predecessor, Jack Ward Thomas, issued a document he called "The Forest Service Ethics and Course to the Future," in which he outlined an agency agenda that included many elements similar to Chief Dombeck's natural resources agenda. Among the priorities set by Jack were: Protect ecosystems; restore deteriorated ecosystems; and provide multiple benefits for people within the capabilities of ecosystems.

SUSTAINABLE FORESTRY PRINCIPLES

Now I do not mean to suggest that Mike is not an original thinker. I would suggest, as well, that Mike's emphasis here reflects the coming together of many ideas related to the present and future management of the national forests. In fact, I would suggest that the sustainable forestry element of Mike's agenda is fully consistent with the sustainable forestry initiative launched by the timber industry's American Forest and Paper Association. In fact, that document refers to sustainable forestry in this way, and this is a quote from American Forest and Paper Association's "Sustainable Forestry Principles and Implementation Guidelines." "Sustainable forestry is to practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic, which integrates the reforestation, managing, growing, nurturing, and harvesting of trees for useful products with the conservation of soil, air and water quality, wildlife, fish habitat, and esthetics."

I think that sounds like a fairly good mission statement.

I should also point out in the industry's "Sustainable Forestry Principles," Mr. Chairman, that attention is given to the need to protect special sites—in fact, principal forest States—to manage their forests and lands of special significance—i.e., biologically, geo-

logically, or historically significant—in a manner that takes into account their unique qualities.

I think that sounds very similar to something that Chief Dombeck has initiated recently.

So many of the ideas and objectives regarding the future of forestry and forests in the United States are really the result of an evolution in thinking over time. And, in fact, I would suggest that our goal is to ensure the most productive use of our lands in terms of all its possible uses for the greatest number of Americans.

ROADS MORATORIUM

The one area of strong disagreement among some in the Congress clearly is over this matter of roads and the future of road building policy for the Forest Service. There, too, I would suggest that, frankly, there is more that we agree on than on which we disagree.

If you would not mind, I would like Brooks Preston from my office to help me. We will just run through a couple of charts that quickly illustrate some of the points I want to make this morning.

Mr. LYONS. In the national forests, we have 386,000 miles of road, enough to circle the globe 16 times. Most of these roads are poorly maintained or, frankly, not maintained at all. This is not the result of intentional neglect, but simply the lack of resources and a clear strategy for maintaining the transportation infrastructure we need and, frankly, for eliminating what we do not need, and what we agree we do not need.

Some 20 percent of this road system—actually 22 percent, which we call our arterial and collector system—gets 80 percent of the public use on the national forests. It is used for rural commerce, for access to recreation, hunting, and fishing, for management, and for commercial activities, like logging.

RECREATION USE ROADS

The fastest growing use of National Forest System roads is, in fact, for recreation. That is illustrated by this next chart.

You can see that use of the national forests for recreation is skyrocketing, and each and every one of you sees this in the forests in your States. Idaho and Washington are excellent examples.

Of that portion of the road system that gets the most use, we only have sufficient funds to maintain 40 percent of the mileage to the standard for which it was built. I would suggest that with growing recreation use, those standards are inadequate. Roads that were built to standards to meet the needs of logging trucks are not going to meet the needs of Ford Explorers, and we see that. That is a problem.

BRIDGE SAFETY

The problem is compounded by the fact that nearly 1,000 of the 7,000 bridges that we administer are deemed structurally or functionally deficient by the engineers who monitor them. In short, they are unsafe.

As a result, more and more we are being forced to limit road use because of concern for public safety on a rapidly deteriorating road system.

So how do we deal with this dilemma? What is the prudent way to approach it? I would suggest two ways.

ROADS MORATORIUM

The first is to call a time-out on new road building until we understand the dimensions of our problem and what resources we can muster to deal with it. This time-out, as Mike has called it, has stirred a great deal of controversy. But the fact is that we have not proposed a permanent moratorium on road building and we continue to reconstruct roads to improve forest access for many uses, including timber.

The fiscal year 1999 budget proposes reconstruction of 584 miles of road by the Forest Service, primarily to address environmental impacts of these roads, and reconstruction of nearly 3,000 miles of road by timber purchasers to access proposed timber sales. Timber purchasers would also build 403 miles of road in already roaded areas.

So you can see this time-out on road building in roadless areas is not about cutting off access to the national forests, as some would have you believe. In fact, it is about taking a thoughtful and prudent look at our policies regarding the entry and management of roadless areas.

Road construction and reconstruction in roaded parts of the forest will continue as needed. The moratorium proposal is part of a broader strategy to better manage forest roads by deciding which roads must be maintained and which can be decommissioned.

ROADS DECOMMISSIONING

As you can see from this chart, Mr. Chairman, we began decommissioning roads back in 1991 under authority provided by the Appropriations Committee. But if you look at the numbers, you can see that, although we have increased decommissioning, in fact we are decommissioning roads at a rate more quickly than they are building new roads. If you add up the miles of reconstructed roads in addition to those that we are constructing, you will find out that, in fact, improving access in that manner actually exceeds what we are doing in terms of decommissioning roads.

I should also point out that the decommissioning is of roads that were called for to be decommissioned in existing land and forest management plans.

ROADS MAINTENANCE AND RECONSTRUCTION BACKLOG

Now, the second thing we need to do is to begin to deal with the tremendous backlog of maintenance and reconstruction needs that we have on the road system, a $10.5 billion backlog. I believe, Mr. Chairman, that the issue of road maintenance and reconstruction of roads and bridges, those that get extensive public use, is and should be a national priority.

High-use roads on the national forests represent 55 percent of the total public lands highway system, as illustrated here (indicat-

ing). And we have identified the other elements that belong to our sister agencies involved in land use management.

Although we have proposed an increase in road maintenance funds in this budget, appropriations will never get the backlog of current road reconstruction and maintenance needs addressed. As I said, it is $10.5 billion.

The consequences of this backlog are: Decreased safety for forest roads and bridges; degradation of watersheds resulting from increased erosion; and other environmental and rural community impacts.

I am certain you would agree, Mr. Chairman, that this situation is intolerable and, in fact, it is a national disgrace.

Mr. Chairman, we need your help and the Congress' help to address it. I also have information for the members of the committee reflecting the relative road mileages for national forest roads in each of your States. If I could, I would provide that for the record.

[The information follows:]

National Forest Road Program

State	*Miles*
Alabama	1,632
Alaska	3,458
Arizona	30,493
Arkansas	9,926
California	44,861
Colorado	18,462
Florida	4,128
Georgia	1,523
Idaho	33,894
Illinois	1,115
Indiana	84
Kentucky	1,333
Louisiana	2,806
Maine	79
Michigan	11,174
Minnesota	4,473
Mississippi	2,643
Missouri	2,354
Montana	31,289
Nebraska	796
Nevada	5,858
New Hampshire	435
New Mexico	22,687
New York	4
North Carolina	2,305
North Dakota	857
Ohio	73
Oklahoma	690
Oregon	71,995
Pennsylvania	1,207
Puerto Rico	23
South Carolina	1,657
South Dakota	4,322
Tennessee	1,525
Texas	2,547
Utah	11,548
Vermont	239
Virginia	2,757
Washington	22,191
West Virginia	1,720
Wisconsin	7,530

State	*Miles*
Wyoming	10,746
Total	379,439

HEAVY-USE ROADS

Mr. LYONS. I would just point out, for example, that in Washington State, we have 5,400 miles of road that fall into this heavy-use category and that need improvement. It is 580 miles in West Virginia; 2,600 miles in New Mexico; 10,300 miles in Montana; 8,500 in Idaho; 6,000 in Colorado. Senator Cochran, I would be glad to get you the Mississippi mileage as soon as I get back to my office. [Laughter.]

[The information follows:]

It is 952 miles in Mississippi.

CUSTODIAL FOREST MANAGEMENT

Mr. LYONS. Mr. Chairman, as stated in Chairman Murkowski's letter to the Chief, "Most Americans believe that each generation should leave the public resources in a better condition than they received them from their parents."

To do so, however, requires more than a custodial budget, if I understand the intended meaning of that word in the letter that Chief Dombeck received. To the contrary, what is required is an investment in our natural resource heritage to insure that the unintended consequences of past management are corrected to improve our environmental performance overall and to insure that the national forests can continue to sustain production of all the goods and services that come from these lands.

The roads example I offered is a case in point.

In summary, Mr. Chairman, I strongly believe that the investments called for in this budget are critical to our ability to provide stable and sustainable production of timber, water, fish and wildlife, range, and recreation on the national forests.

PREPARED STATEMENT

More and more, the economies of rural communities are dependent upon a mix of national forest products and services—not just timber anymore. We need to work with the communities and the counties to understand their needs, to help them understand our capabilities and the limitations of the land, and to find a balance that will provide greater stability for those communities in the future.

Thank you, Mr. Chairman.

Now I will turn to Chief Dombeck to address these issues in greater detail.

[The statement follows:]

PREPARED STATEMENT OF JAMES R. LYONS

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear before you this morning to discuss the Forest Service's proposed budget for fiscal year 1999.

This morning I'd like to present a brief overview of our budget request and highlight some of the priorities we've identified. In his testimony, Chief Dombeck will address these issues in greater detail.

Mr. Chairman, recently Chairman Murkowski of the Senate Energy and Natural Resources Committee and Subcommittee Chairman Craig along with House Resources Committee Chairman Young and Subcommittee Chairman Chenowith wrote to Chief Dombeck to raise concerns regarding agency management direction and to raise the specter of funding national forest management at a "custodial" level. While I know that Chief Dombeck has replied to this letter and the questions it posed, I want to offer my thoughts on the issues raised as a means of illustrating the budget priorities presented by the Administration in our fiscal year 1999 budget request.

Let me start with the issue of agency mission.

The letter states, "there is presently very little agreement on a discrete mission for the National Forest System."

I disagree.

Both the Forest Service mission and the mission of the national forest system are clear and well-defined in statute, regulation, and agency policy. As an Administration, we have worked hard within the parameters of current law to resolve resource management issues, from conflicts over management of old-growth forests in the Pacific North West to concern about agency consultations under the Endangered Species Act. While values differ and the interests of one constituency may, at times, be at odds with the desires of another, we have sought balance, reason and dialogue among those interests as a means of resolution. We continue to be guided by sound science and professional judgment while placing greater emphasis than others may have on seeking local input and advice. As evidence, I would offer the work being done by the regional leadership team overseeing the Columbia River Basin project to include affected counties and communities in the dialogue and decisionmaking processes.

The national forests are to be managed for multiple-use, by law. And this requires, by statute, that these lands be managed for the production of wood, water, fish and wildlife, range, and recreation without concern for the use that returns the highest profit. We continue to work to seek efficiencies, but the returns on investment cannot and should not be measured by net revenues, returns to the Treasury, or board feet. In fact, the Multiple-Use Sustained-Yield Act of 1960 calls for, "harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output." Seeking the highest net societal public benefits from national forests requires that these other benefits are considered and addressed.

Our continuing inability to measure the returns on investment in terms of improved water quality, wildlife habitat restoration, reduced risk of wildfire, or recreation quality hamper our ability to gain a true picture of the valuable products of our management. Unfortunately, we continue to be challenged simply on the basis of what we produce from the forests, the commodities that come out of the woods. But that's only part of the picture. A truer perspective would also take into account what we leave behind the condition of the resource following management. For that is what affects the resources we're entrusted to manage and the communities we serve for the decades to follow. That is our true legacy.

In February, Chief Dombeck made a presentation to agency employees regarding his view of the agency's mission. His natural resources agenda included a focus on watershed health, sustainable forest management, the critical issue of forest roads, and the values of outdoor recreation. I know that Mike will provide you more detail on his remarks. But I believe Chief Dombeck stated clearly and unequivocally his view of the agency and national forest system mission, to answer the specific and primary concerns expressed in the letter to him.

Although the Chief's "Agenda" has generated some controversy, I would assert, Mr. Chairman, that what Mike has rolled out is really the result of the evolution in thinking of the agency and its leadership over the past decade or so. For example, former Chief Dale Robertson distinguished himself as a leader in promoting recreation on the national forests. During his tenure the Forest Service announced its National Recreation Strategy, the forerunner of the outdoor recreation strategy which is focused and refined in Mike's agenda. In fact, Chief Robertson's Strategy was in response to the work of the President's Commission on American's Outdoors, initiated by President Bush. Chief Dombeck's focus on watershed health and sustainable forestry are also the product of an evolution in the thinking of the forestry community and Forest Service leadership about key natural resource issues. You may recall that Mike's predecessor, Jack Ward Thomas, issued a document he called "The Forest Service Ethics and Course to the Future", in which he outlined an agency agenda that included many elements similar to Chief Dombeck's Natural Resources Agenda. Among the priorities set by Jack were: (1) Protect Ecosystems; (2)

Restore Deteriorated Ecosystems; and (3) Provide Multiple Benefits for People Within the Capabilities of Ecosystems.

Sound familiar? I would suggest, as well, that Mike's emphasis on Sustainable Forestry is fully consistent with the Sustainable Forestry Initiative launched by the timber industry's American Forest and Paper Association. So, many ideas and objectives regarding the future of forestry and national forest management in the United States are, in fact, converging. Chief Dombeck has simply brought these issues into focus with his "Natural Resources Agenda". Our goal is to ensure the most productive use of our lands—in terms of all possible uses—for the greatest number of Americans.

The one area of strong disagreement between this Administration and some in the Congress is over the matter of roads and future road building policy. And there, too, I would suggest that there is more that we agree on than we disagree.

We have 386,000 miles of roads on the national forests, enough to circle the globe 16 times. Most of these roads are poorly maintained or not maintained at all. This is not the result of intentional neglect, but simply the result of a lack of resources and a clear strategy for maintaining the transportation infrastructure we need and for eliminating what we agree we do not.

Twenty percent of this road system—the arterial and collector roads—gets eighty percent of the public use. Use for rural commerce; for access for recreation, hunting, and fishing; for management; and for commercial activities like logging. The fastest growing use of national forest system roads is, in fact, for recreation. No surprise, because recreational uses of the national forests eclipse National Park visitation and are growing at a "significant" rate.

Of that portion of the road system that gets the most use, we have only sufficient funds to maintain 40 percent of the mileage to the standard for which it was built. That's a problem. And, the problem is compounded by the fact that nearly 1,000 of the 7,000 bridges we maintain are deemed structurally or functionally deficient by the engineers who monitor them. This is a public safety nightmare. As a result, more and more we are being forced to limit road use because of concern for public safety on a rapidly deteriorating road system.

How do we deal with this dilemma? I'd suggest, in two ways.

The first is to call a time out on new road building until we understand the dimensions of our problem and what resources we can muster to deal with it. This "time out" has stirred much controversy. But, the fact is that we have not proposed a permanent moratorium on road building. And, we continue to reconstruct roads to improve forest access for many uses, including timber. The fiscal year 1999 budget proposes reconstruction of 584 miles of road by the Forest Service, primarily to address environmental impacts of these roads, and reconstruction of nearly 3,000 miles of roads by timber purchasers to access proposed timber sales. Timber purchasers would also build 403 miles of road in already roaded areas. The table below provides a brief summary of the forest road program since fiscal year 1995.

FOREST ROAD PROGRAM

[In miles]

Accomplishment indicator	Fiscal years—				
	1995	1996	1997	1998 [2]	1999 [3]
Road construction purchaser credit	441	417	392	504	.....
Road construction by purchaser	.....	.....	.....	.....	403
Road construction appropriated funds [1]	27	46	8	11	8
Total	468	463	400	515	411
Road reconstruction purchaser credit	1,690	2,301	3,210	3,130	.....
Road construction by purchaser	.....	.....	.....	.....	2,957
Road reconstruction appropriated funds [1]	726	552	384	292	584
Total	2,416	2,853	3,594	3,422	3,541
Road decommissioning	2,126	1,440	1,787	1,500	3,500

[1] Appropriated construction and reconstruction figures include recreation, timber, and general purpose roads.
[2] Estimate.

[3] Proposed.

So you can see, this "time out" on road building in roadless areas is not about cutting off access to the national forests as some have alleged. In fact, its about taking a thoughtful and prudent look at our policies regarding the entry and management of roadless areas. Road construction and reconstruction in roaded parts of the forests will continue as needed. We will build or reconstruct about 4,000 miles of road in fiscal year 1999 under the proposed budget. Our budget provides for the decommissioning of 3,500 miles of road—as already identified in current forest plans. The moratorium proposal is part of a broader strategy to better manage forest roads by deciding which roads must be maintained and which can be decommissioned.

The second thing that we need to do is to begin to deal with the tremendous backlog of maintenance and reconstruction needs on our existing road system. I believe, Mr. Chairman, that the issue of road maintenance and reconstruction of roads and bridges—those that get extensive public use—is and should be a national priority. Although we tend to focus, nationally, on national park and other public land roads, we need to support national forest roads as well. High use roads on the national forests represent 55 percent of the total public lands highway system. And, although we have proposed an increase in road maintenance funds in this budget, appropriations will never get the backlog of current road reconstruction and maintenance needs addressed—that's $10.5 billion and growing each year. The consequence of this backlog is the decreased safety of forest roads and bridges, and the degradation of watersheds resulting from increased erosion. I am certain you would agree, Mr. Chairman, that this situation is intolerable. In fact, it is a national disgrace. Mr. Chairman, we need your help and the Congress' help to fix it.

On another subject, Mr. Chairman, you are aware that Secretary Glickman chartered a Committee of Scientists last fall under the National Forest Management Act. The Committee has been operating since the beginning of this year and will produce a report by late spring. It's mission is to review and critique the forest planning process and to guide the development of new forest planning regulations. I commit to you that based upon the committee's efforts, we will work to complete a new draft of the forest planning regulations for public comment before the end of fiscal year 1998. Then, I hope we can work together to lift the current prohibition on forest plan revisions, and structure a new approach to forest planning.

Mr. Chairman, as stated in Chairman Murkowski's letter to the Chief, "Most Americans believe that each generation should leave the public resources in better condition than they received them from their parents." To do so, however, requires more than a "custodial" budget if I understand your intended meaning of the term. To the contrary, what is required is an investment in our natural resource heritage to ensure that the unintended consequences of past management are corrected, to improve our environmental performance overall, and to ensure that the national forests can continue to sustain production of all the goods and services that can come from these lands. The roads example I just offered is a case in point.

The fiscal year 1999 Forest Service budget also provides for and the Chief has called for a reinvestment in the health of the nation's watersheds. Increasingly, water is the most valuable commodity produced on the national forests. Our responsibility is to ensure that the water we produce is clean and clear, fishable and swimmable.

Every major metropolitan area in the West, from Los Angeles and Portland to Boise, Denver, and Albuquerque depends upon the national forests for their water supplies. Our budget would increase funding for watershed assessments and riparian area restoration. It would seek to increase efforts to reduce fuel build-ups through improved thinning of densely-stocked stands and salvage of dead and dying timber. Hazardous fuels reduction efforts—including thinning, prescribed fire and other fuels management techniques—have increased from 300,000 acres in fiscal year 1990 to a projected 1.5 million acres in fiscal year 1999. It calls for more acres of prescribed fire to clean up fuels remaining after thinning and salvage operations. More and more, our timber sale program is focused on improving forest stand conditions and watershed health in this manner.

Chairman Murkowski's letter to Chief Dombeck also suggested that: "There will also be some costs associated with wildlife and fisheries restoration and enhancement work" related to ESA concerns. Part of our road maintenance and reconstruction effort is intended to address the effects of poorly maintained roads on aquatic habitats. Recently, the National Marine Fisheries Service indicated that it would recommend listing of thirteen populations of five different salmon from northern California to Washington State. The road investment we propose is critical to our efforts to restore salmon habitat on federal forest lands and our work in partnership with both Governor Kitzhaber of Oregon and Governor Locke of Washington to avert

the potential impacts of salmon, steelhead, and bulltrout listings on both public and private lands in the Pacific North West. In fact, Mr. Chairman, it is ludicrous to consider improvements in salmon habitat in the Pacific Northwest without investing in restoration of the deteriorating national forest system roads, which are causing harm to the waterways that are key to the salmon's survival.

Also critical to addressing our obligations for species recovery under the ESA is increased funding for the agency's fish and wildlife program. The reason is simple, the national forests are the home to more threatened and endangered species than any other part of the federal domain. That is, in part, because we continue to manage so much relatively undisturbed habitat on which these species depend. In part, it is also by design. In the Pacific North West, for example, a conscious decision was made to manage for the spotted owl, the marbled murrelet, and to protect watershed critical to salmon, steelhead, and threatened and endangered species of trout on national forests. In fact, it was this policy decision that helped make possible the development of habitat conservation plans for the forest lands of companies like Weyerhauser and Plum Creek.

In summary, I strongly believe that the investments called for in this budget are critical to our ability to provide stable and sustainable production of timber, water, fish and wildlife, range, and recreation on the national forests. More and more, the economies of rural communities are dependent upon a mix of national forest products and services. We need to work with the communities and the counties to understand their needs, to help them understand our capabilities and the limitations of the land, and to find a balance that will provide greater stability for the future.

Our past focus on timber almost to the exclusion of other resource values and services only served to increase economic instability, particularly for isolated communities. I fear that any effort to limit our management activities by reducing our budget will have a further destabilizing effect for rural people. The best course is to invest in land stewardship with the communities as partners and to use the considerable resources of the federal government to aid the communities at risk. We seek the opportunity to work with you toward this end. Because, our ability to work together—this subcommittee, the Congress, and the Administration—will ultimately determine the health of this nation's natural resources and the sustainability of the communities which benefit from the stewardship of these resources.

Thank you for the opportunity to address you this morning.

SUMMARY STATEMENT OF MIKE DOMBECK

Senator GORDON. Chief.

Chief DOMBECK. Mr. Chairman, thank you, and committee members.

Since Jim focused on the natural resource issues, I would like to spend more time talking about the business and accountability side of the Forest Service.

I believe that, as Senator Craig mentioned, in order to resolve these problems, it is important that we work together. I know that there are philosophical differences. There are philosophical differences almost everyplace. I can even find them at home. But the important thing is that we continue to work together.

I want all of you to know that I am available at anytime to meet and talk about these issues and continually search for common ground.

BUSINESS MANAGEMENT

I would like to focus now and spend just a few minutes talking about the business side of the Forest Service. I certainly acknowledge the problem. The 100-plus inspector general and General Accounting Office reports that were discussed at the March 26 hearing in front of the joint committees with the House is a record of some of the challenges that we have as an organization. From the day I came on board, I indicated to employees and others that in

order to be good resource managers, we have to be good business managers and we have to be good human resource managers.

The Forest Service is equivalent to a Fortune 500 company. It has 30,000 employees, a $3 billion budget, and its business and accounting systems need to be up to snuff and up to date.

While I was Acting Director of the Bureau of Land Management, we got our first clean financial audit in 1995. And although the budget structure in that organization is certainly a much less complex organization than the Forest Service, the job was done there and I believe the job can be done at the Forest Service. But it is going to take time.

It took Jack Welch 10 years to work on General Electric [GE], and we have complexities beyond many of those that GE had that have evolved over time.

I would say, very simply, from the management standpoint, as I view the Forest Service and the challenges that we have, the complexity is killing us. It is taking up resources. It has moved the resource manager out of the field, back into the office, with less time in the woods, less time dealing with customers, less time dealing with loggers, recreationists, and so on. We want to work on that situation together.

Can it be fixed? Yes; here is what we think it needs.

First of all, we need general agreement on resource priorities and a good business system will help us achieve that agreement. We need employees that are well trained in business management practices. We are an organization of some of the best resource managers and scientists in the world in areas of silviculture, fire management, watershed work, engineering, and the list goes on and on.

However, the focus has not been on the business side of the organization. I intend to place a very high level of focus on that area and make sure that we have the right skill mix to achieve what we need.

We need accurate and current information. We find ourselves in a situation where we are drowning in data and where we lack information.

Just to give you an idea of the complexity of the situation we face: Some management codes do as little as 5,000 dollars' worth of business a year. We have too much under a microscope, and that complexity is a situation we need to deal with.

To achieve success, we are going to need a strong partnership with Congress, with the committees here to move forward with that. Then we will need time to deal with the issue.

I have taken some actions. I do not want to leave the impression that we have been looking the other way as this is going on.

As I indicated on my first day on the job, as I talk with employees we continually emphasize the need for good business management practices, human resource management practices, and natural resource management skills. We cannot have one without all three.

MANAGEMENT ACTION TAKEN

I brought in Francis Pandolfi, the day I came to work, from the private sector, a chief executive officer with 25 years of experience and a Harvard MBA, to help with the situation. Some leadership

changes have been made. I want to move quickly to fill the positions that we have.

We initiated a Coopers & Lybrand study, I might add. One of the suggestions George Leonard made to me, in addition to Francis, was to bring in a big 10 accounting firm to take a look at our structure, take a look at the situation we deal with, and to make recommendations. We have that report and Francis would be happy to discuss any details you have.

I found myself as Chief with 35 direct reports. We have reduced that number to, I think, about 10 or 11. It was a situation from the standpoint of immediate supervision with a breadth of almost unmanageable proportion.

We initiated the Chief's reviews that have been in the Forest Service Manual for many, many years. And yet, I was unable to find anyone that had participated in one. And the objective that we are placing on the Chiefs' reviews—and we will be doing them at all the major units this year—is to begin to look ahead of the headlights. We are spending so much of our time dealing with the immediate concern of the day that the big issues that are coming upon an organization of this size are going unattended. We need to spend more organizational energy of the Deputy Chiefs, the Regional Foresters, looking ahead of the headlights. What is coming at us 5 or 10 years from now and what could we have done 10 years ago to avoid some of the situations we are in today? I believe it is important that we deal with that.

We are working with the Department to implement a new general ledger. There are some problems with that. But we are working on those and we will keep you informed as that develops. And, of course, there is the natural resources agenda that I have put forward.

So the bottom line is on the accountability and business management sides, much of the topic of the Christian Science Monitor article that you quoted from, Senator Craig. Can the Forest Service be fixed? Yes; we need to do it together. We need to be aggressive about doing it.

PREPARED STATEMENT

But I believe it can be done. It is going to take commitment. There will be a tremendous saving in doing it, and the long-range objective that I have is we not only want a Forest Service that is a better place to work, but we want an organization that works better.

I would thank you.

I would like to ask that my written statement be entered into the record.

Senator GORTON. It already has been ordered.

[The statement follows:]

PREPARED STATEMENT OF MIKE DOMBECK

Mr. Chairman, Senator Byrd, and Members of the Committee: I appreciate the opportunity to appear before you today to talk about the President's fiscal year 1999 Budget.

I have had the honor of serving as Chief of the Forest Service for the past 16 months. During that time I have worked hard to focus our direction toward these broad goals:

—Restoring and maintaining the health of the land;
—Ensuring accountability for what we do on the land, our financial resources and business systems, and the civil rights of our employees; and,
—Promoting collaborative stewardship, partnerships, and decisions based on the best science.

I realize philosophical differences exist over how best to achieve these goals, or perhaps over the goals themselves. I believe that even as we recognize these differences, it is important to maintain good working relationships.

Mr. Chairman, in my testimony today, I want to concentrate on the important elements of the President's Budget and how it relates to the Forest Service Natural Resource Agenda, and also discuss the Agency's financial management systems and the improvements that are needed. First, let me provide a brief thumbnail sketch of the overall budget.

Overall, the President's Budget for the Forest Service proposes an increase of 2 percent in discretionary funds. We will manage the 191.6 million acres of forests and grasslands and a $30 billion infrastructure with a work force which is 2 percent smaller than in fiscal year 1998. We will provide services in support of approximately 860 million visits annually by the public. We will manage a road system consisting of 373,000 miles used by 1.7 million vehicles daily for the purpose of recreation. With the total Forest Service budget of $3.3 billion, we will provide conservation leadership that emphasizes watershed health and sustainability of services and products that come from the national forests. The budget includes Presidential Initiatives that provide $127.3 million for support of such priorities as: the Clean Water Action Plan; recreation; road, trail, and facility maintenance; and research. In addition, there are funding increases in other important areas, such as hazardous fuels reduction, and wildlife and fisheries habitat management.

Forest Service Natural Resource Agenda

With that brief overview, let me talk about the budget in the context of the Forest Service Natural Resource Agenda. The Agenda is tiered to the goals and objectives described in our Strategic Plan prepared under the requirements of the Government Performance and Results Act (GPRA). The Agenda identifies and prioritizes areas of emphasis within the objectives of our strategic plan. The strategic plan at the national level, and the forest plans at the local level, set land management direction for the Forest Service. Fulfilling the Agenda will help strengthen the confidence of our constituents in the Forest Service's ability to manage our public land.

The four key emphasis areas of the Natural Resource Agenda are: (1) Watershed Health and Restoration; (2) Sustainable Forest Management; (3) National Forest Road System; and (4) Recreation.

Watershed Health and Restoration

Let me start by discussing Watershed Health and Restoration, which is one of the primary reasons for creation of the national forests. For many years, our nation's approach to conservation was based on the premise that we must protect the best of what remains as exemplified by progressive laws which created wilderness areas and wild and scenic rivers. Healthy watersheds are the foundation for sustainable multiple use management, including providing clean water for people and other outputs. Sustaining the health of the land must be our overriding priority. Compared to fiscal year 1998, the President's Budget contains important funding increases to accelerate this part of the Agenda, such as:

—A $12.6 million increase to provide an additional 12,000 acres of watershed improvements, and expand clean-up of hazardous substances sites that impact natural resources and public health and safety.
—A $15 million (or 30 percent) increase for hazardous fuels reduction, a critical tool for restoring forest health. This will result in a reduction of fuels on almost 1.5 million acres. The proposed fiscal year 1999 program builds on strong support Congress shows in the fiscal year 1998 Appropriations Act for hazardous fuels reduction.
—A $20 million increase in Rangeland Vegetation Management. The increase would allow the Forest Service, in partnership with other USDA and Interior agencies, to begin the first year of a multi-year cooperative effort to address both the status and the restoration of rangelands. It would provide for the restoration of approximately 42,000 acres of range vegetation through non-structural improvements in the Western States, and the control of noxious weeds on 55,000 acres.
—Increases for both the Road Maintenance Program and the Road Reconstruction and Construction program focused on improving watershed health and public

safety. I will discuss these important programs in more detail later in this testimony.

Only by accepting our responsibility for maintaining watershed health can we move forward with a more balanced approach to watershed protection and the provision of grazing, timber, and other outputs. I have often said that on a national scale our nation's forest and grasslands are basically healthy. But there are areas where deterioration is of great concern. We take this responsibility seriously, and we are taking action. For example, on the Clearwater National Forest, the winter storms of 1995 and 1996 produced erosion on old logging roads that caused considerable watershed damage. The Forest is working with the Northwest Power Planning Council, the Nez Perce Tribe, and local agencies to plan and identify funding for the obliteration of 200 miles of these roads over the next two years.

Sustainable forest management

The second point I want to address in the Natural Resource Agenda is Sustainable Forest Management. Two thirds of the nation's forest land is managed by owners other than the Federal government. Sustainable forest management cannot be achieved in the U.S. without full engagement by all forest landowners. Only by forming coalitions among communities, conservationists, industry, and all levels of government can we address the complexity of achieving sustainability across the landscape.

The President's fiscal year 1999 budget supports the effort to achieve sustainable forest management in a number of areas, such as:

—An increase of $10 million for Forest and Rangeland Research with primary emphasis given to: accelerating annualized inventories and improving analytical capability under the Forest Inventory Analysis program (FIA); expanding the forest health monitoring program and accelerating integration with FIA; and, increasing research critical to better understanding and mitigating the impacts of climate change as it relates to forests and rangelands;

—Funding increases for a number of State and Private Forestry programs to help individual landowners, communities, and States capture the benefits of trees and forests through planning and stewardship. These programs include the Forest Stewardship Program, Stewardship Incentives Program, Forest Legacy Program, and the Urban and Community Forestry Program.

In addition, using our own inventory and monitoring data, and collaborating with other land management agencies and organizations, we plan to develop a national report on the condition of the Nation's forests based on the Criteria and Indicators for Sustainable Management of Temperate and Boreal Forests. These non-legally binding criteria and indicators (C&I) are endorsed by a number of countries—such as the United States, Canada, Japan, Australia, Russia, and others—that contain 90 percent of the world's temperate and boreal forests and 60 percent of all forests on the globe. The C&I provide a common understanding of what is meant by sustainable forest management and a common framework for evaluating progress toward achieving sustainability. A broad array of U.S. stakeholders, including State Foresters, and environmental and industry groups support use of the C&I.

National Forest Road System

Mr. Chairman, now let me turn to the third area of the Natural Resource Agenda. That area is the National Forest Road System. Needless to say this issue has received extensive attention since I announced development of a new road management policy in January 1998. Unfortunately, the majority of this attention has focused on the proposed interim policy for road construction in roadless areas. I know many on this Committee are very concerned about that policy. Mr. Chairman, this proposed interim rule is only one of several important aspects of this forest roads proposal. By concentrating on the roadless policy, attention has been diverted away from the broader issue of managing overall road access. That is unfortunate because the forest road system is, in many places, the best of the rural transportation system. We must do a better job of meeting these local needs.

I am very concerned about the condition of the forest road system. Today, our road system accommodates 1.7 million vehicles per day that are being driven for recreational purposes. This is 10 times the traffic experienced in 1950. This compares to 15,000 vehicles per day for timber related activities, which is about the same as the 1950 level. While recreation related vehicle use has increased, today there are 7,600 less miles of road available to passenger type vehicles than in 1991. Our inability to fully maintain the roads we have has resulted in the gradual degradation of the road system. The Forest Service has a road maintenance and reconstruction backlog of over $10 billion. It is a plain and simple fact that we have not been fully funded to care for the roads we currently have, and poorly maintained

roads can seriously degrade watersheds and pose a threat to public safety. We are proposing to begin to reverse this trend through improved management policies, and our budget priorities.

The Forest Service has sought public input on the scope and nature of a proposed revision of the national forest system road management policy. In proposing this, we asked for feedback on three expected outcomes. First, as fewer forest roads are built today, we will ensure they are built to minimize adverse environmental effects. Second, existing roads that are no longer needed or that cause significant environmental damage will be removed. Third, roads that are most heavily used by the public will be made safer, and any adverse impacts on water quality, aquatic habitat, and fisheries, will be reduced.

We have also sought public input on our interim roadless proposal to temporarily halt road construction in most areas of the national forest system that do not presently have roads. This proposal recognizes that we cannot afford to manage our existing road system. We will use this time to engage the Congress and the American people in a constructive dialogue about where and when new roads should be built on national forests.

The President's Budget supports the need to improve management of the road system we currently have and need to maintain. For example, the budget proposes:

—An increase in the Roads Reconstruction and Construction Program of $8 million (or 9 percent). The increase will be focused on road reconstruction to protect and restore watersheds, improve safety, and provide appropriate access for utilization of forest resources.

—A $22 million (or 26 percent) increase in the Road Maintenance program that would fund the decommissioning of 3,500 miles of roads, which is less than 10 percent of the total need identified by the Agency. It would also increase the percent of system roads maintained to standard from 38 percent in fiscal year 1998 to 45 percent in fiscal year 1999.

Recreation

Mr. Chairman, the fourth and last emphasis item in the Natural Resource Agenda is Recreation. The President's Budget provides strong support for the recreation program and contains important proposals to permanently implement the many successes we have found with new recreation initiatives. The national forests and grasslands are the largest supplier of outdoor recreation opportunities in America. With the majority of Americans easily able to access National Forest System land from practically anywhere in the country, it is clear the national forests are America's backyard for recreation. The national forests had more than 800 million visits in fiscal year 1997, and we expect this demand to increase to 1.2 billion visits over the next 50 years.

The President's Budget recognizes the important challenges represented by this increasing demand for recreation, and has proposed a $21.1 million increase in the Recreation Use Program over the enacted amount in fiscal year 1998. A priority emphasis for these funds is the maintenance of recreation sites, such as restoration and replacement of water and sanitation facilities, as well as high priority trail maintenance in wilderness and non-wilderness areas. We are using appropriated funds, fees generated from the Recreation Fee Demonstration program, support from partnerships, and other measures to address our critical recreation program needs. For example, funds generated under the Recreation Fee Demonstration program on the Siuslaw National Forest were used to rehabilitate resource damage to meadows around Mary's Peak Recreation Area, upgrade garbage collection services and add restrooms at the Sandlake Recreation Area, and complete resource restoration work and maintain facilities at the Oregon Dunes.

I want to briefly discuss the Recreation Fee Demonstration program. In fiscal year 1997, approximately 35 million visits occurred on the 40 sites currently operating under the program. An additional 43 sites will be added in fiscal year 1998. In fiscal year 1997 the Forest Service collected over $7 million of which $3.7 million will be expended for maintenance work. The remainder will be used for enhanced services. We expect collections to increase in fiscal year 1998 to approximately $18 million. These collections are critical for helping us provide the services American's expect from the national forests. However, let me emphasize that America's recreational use of the national forests is highly dispersed. Those 35 million visits to Recreation Fee Demonstration sites represent only 4 percent of the total recreation visits on the national forests. American's expect a lot from us in terms of the quality of their recreation experience, for both dispersed use and at fee sites. The President's Budget recognizes those expectations. The budget proposes increased appropriations for recreation and assumes that the Recreation Fee Demonstration Project receipts will

be used in addition to appropriated funds as the authorizing statute intended; otherwise, the backlog will continue to grow.

Also in the fiscal year 1999 budget is a proposal to permanently authorize Forest Service retention and use of receipts from recreation sites, including that portion of the Land and Water Conservation Fund receipts outside of the Recreation Fee Demonstration pilot program. We estimate that beginning in fiscal year 2000, total resources generated under this proposal will be about $26 million.

Payments to States proposal

We are very aware of the importance of revenues to county governments and the effects upon the local economies when their sources of revenues diminish. As timber production on the national forests has declined in recent years, the payments generated by the forests have dropped in some cases precipitously. The Congress recognized this in 1993 by enacting special legislation for the spotted owl forests which provided an annually declining percentage of average 1986–90 receipt-sharing payments for the affected areas. In 1997 that guarantee dropped to 76 percent, and it will decline to 70 percent in 1999 under the current legislation.

In order to provide all county governments with a predictable level of payments from the national forests, the Administration is proposing legislation to stabilize the payments. Our fiscal year 1999 proposal will fix payments at $270 million, which is $37 million above the amount paid based on 1997 receipts. This figure of $270 million is based on providing each county with the guarantee currently extended to the owl forests of 76 percent of the 1986–1990 average payment. For those counties where the 1997 payment was greater than that amount, the payment would be frozen at the 1997 level. The program will continue to be funded by a permanent appropriation to ensure that payments will not decline in future years. I understand that some counties located in the Eastside project area of the Interior Columbia Basin Ecosystem Management Project have written to the Office of Management and Budget asking for stability in their 25 percent payments. We would like to work with you to design a fair system for these and all counties.

Financial management systems

As I mentioned earlier, one of my goals is to improve our financial management and business systems.

I agree with the audit findings of the General Accounting Office (GAO) and the USDA Office of Inspector General (OIG). The Agency's financial systems and administrative processes must be improved. The complexity of the processes and the interrelationships of the activities we manage require a systematic and comprehensive approach. We have worked extensively with these groups in the past and are currently working with OIG to address a number of fiscal and audit issues. We welcome their advice and input into improving our Agency business management practices.

The Forest Service operates on an accumulation of faulty or outdated information systems—some more than 20 years old—that are not integrated to perform the analysis to make sound decisions, and verify accountability. All of our corporate processes and information must be linked in an integrated, performance-based framework.

I realize that we have significant improvements to make in financial management and accountability, and I want you to know that I am committed to my employees, the Congress, and the taxpayers to see that these improvements are made. I will continue to take aggressive action to ensure that the Forest Service becomes one of the most efficient agencies in the Federal Government. While we acknowledge that there is much work yet to be done, we have made a good start in implementing long-needed changes.

In conjunction with the USDA Chief Financial Officer and the OIG, we are working towards implementing a new general ledger system called foundation financial information system (FFIS). While we are making progress in some aspects of FFIS implementation, the Forest Service and the National Finance Center still face uncertainties due to the complexity of the Agency budget and program requirements. USDA is working with an outside consultant to decide how to proceed. USDA will inform Congress once decisions are made on the most effective and efficient way to move forward. As we work through the implementation of FFIS, we plan to modify our own financial management requirements and identify where Congress in its authorizing and appropriations processes can help us to achieve a strong and accountable financial management system.

In addition, I commissioned a study by the Coopers and Lybrand accounting firm to review our financial management situation. Their report, released in March, makes recommendations on streamlining and clarifying our financial management

systems. I intend to carefully review these recommendations and take appropriate action to strengthen financial management in the Forest Service.

Many of the accountability issues we face were years—even decades—in the making. We have already made some progress in addressing concerns regarding the Agency's management and financial condition. But we still have a very long way to go. It will take time before we can address effectively the full range of fiscal and management accountability issues. Major changes take time. It will take several years to turn this situation around and we urge the Congress and the Federal audit branches to recognize these major shifts and work with us as we strive to meet the mandate of improving the financial health of the Agency. Combined with the complexity of the interrelationships among our programs and the migration to new information systems, we face a great task, and we look forward to the reward.

That concludes my prepared remarks. I would be happy to answer any questions you may have.

FOREST SERVICE STAFF

Chief DOMBECK. I would like to introduce the key Forest Service staff that are here who can provide details on questions. Starting at my right is Francis Pandolfi. Randy Phillips is here for Bob Joslin. Deputy Chief Bob Joslin's mother had a heart attack yesterday and he had to fly to Arizona to deal with that unfortunate situation. We hope she is doing well.

I have Robert Lewis, Deputy Chief for Research; Janice McDougle from State and Private Forestry; Clyde Thompson, Operations; and Ron Stewart from Programs and Legislation.

I also have Kim Thorsen from law enforcement here as well as Luther Burse, our Director for Civil Rights.

With that, we would be happy to answer any questions and enter into any dialog and hope it will be very helpful.

Senator GORTON. Thank you, Chief Dombeck.

Senator Byrd, if Senator Domenici thinks he is going to be better treated sitting over there beside you, he is in error in that connection. [Laughter.]

But you are the ranking member, a friend, and a supporter. You did not have an opportunity before the speakers to make an opening statement. So you can both make an opening statement and ask your questions now.

Senator Domenici, you will be treated in order. [Laughter.]

Senator DOMENICI. Let me just say that I told Senator Byrd that there were so many Republicans, I figured I would sneak in over here and I may get called on sooner. [Laughter.]

REMARKS OF SENATOR ROBERT C. BYRD

Senator BYRD. Mr. Chairman, Scriptures say that a word fitly spoken is like apples of gold and pictures of silver. I think it would be appropriate to fitly speak a word on this subject. Now that Mr. Domenici has come over to this side of the aisle, the intelligence quotient on this side of the aisle has shown a precipitous rise with a commensurate decrease on the other side of the aisle. [Laughter.]

As the only representative of my party—and I don't do an excellent job of that, as you will notice in some of my votes——

Senator GORTON. I have. [Laughter.]

Senator BYRD [continuing]. I do welcome Senator Domenici to this side of the aisle.

Seriously, I join with all others in welcoming Chief Dombeck before this subcommittee. He has been in charge of the Forest Service

for a little over a year now. The issues confronting the agency are of great concern to many people and the challenges facing the Forest Service are not easily solvable.

So I look forward to hearing more of his testimony and to exploring ways that the Forest Service can continue to play, as it has played for over a long period, a constructive role in my State of West Virginia, to assistant in responsible management and stewardship of our forestry resources.

Now, Mr. Chairman, I was late in arriving. I am perfectly willing to await my turn and yield to you.

Senator GORTON. Oh, no. Why don't you go ahead, Senator Byrd.

Senator BYRD. Thank you. I will be quite brief in that regard.

HARDWOODS TECHNOLOGY CENTER

Chief, we have already talked a bit about the Princeton Hardwoods Technology Center and I look forward to your having an opportunity to think about this for a few days as we discussed. Then, as soon as possible, if you can get back to me, I want us to get this facility on the right track. I will be eagerly awaiting your analysis of the situation and your advice and comments.

SENECA ROCKS VISITORS CENTER

With regard to the Seneca Rocks Visitor Center, which was destroyed by fire in 1992, what is the current schedule for the completion of the facility and when do you expect that it will be open for public visitation?

Chief DOMBECK. Well, Senator, we hope to have the facility open in July of this year, and I hope you can participate in a dedication of that event. We hope to have the center fully operational with the displays and everything in place by spring 1999. I am one, at least until I got this job, who got to the mountains of West Virginia fairly often to be up on Spruce Knob or go camping. In fact, I did cut a Christmas tree off the Monongahela National Forest that was in my office this year. I also want you to know that I did pay the $5 for the permit for that tree. [Laughter.]

So I am also looking forward to seeing the completion of that and hope that we can participate in the dedication ceremony when that is completed.

Senator BYRD. What are the estimated costs for operations of the visitor center and what plans does the Forest Service have for developing its budget for next year to accommodate the additional operating costs that will accompany this facility?

Chief DOMBECK. I do not have that information with me, the specific operational costs. But I would be happy to provide that to you for the record.

Senator BYRD. Very well.

[The information follows:]

SENECA ROCKS VISITOR CENTER

The estimated annual operating cost for the Seneca Rocks Visitor Information Center is $275,000. The Monongahela National Forest and the Southern Region Headquarters are exploring partnership opportunities to offset the increased costs of operation and maintenance for the Seneca Rocks Visitor Information Center.

WEST VIRGINIA FORESTRY RESEARCH

Senator BYRD. We have three research activities in West Virginia—Morgantown, Parsons, and Princeton. I understand the staffing and funding for these locations are maintained in the fiscal year 1999 budget at the fiscal year 1998 enacted level.

Is that correct?

Chief DOMBECK. Yes; and let me ask Deputy Chief Robert Lewis, who has a personal knowledge of and directs these programs.

Dr. LEWIS. Thank you and good morning, Senator.

We do maintain the extended level that we had last year at all three labs, at the Princeton Center as well as Morgantown, and at Parsons as well. Our plans are to continue to do that.

Senator BYRD. While the budgets for these locations are not decreasing, they also are not keeping pace with inflation and other uncontrollable cost increases.

What are the consequences to the research program of the Forest Service not receiving increased funding to address these costs?

Dr. LEWIS. We have had to deal with the rate of inflation through managing our research program through attrition. The overall impact has been a reduction in the number of scientist-years as we provide operating funds for our scientists that they might be productive.

So the overall impact has been a decrease in the research effort. For example, the agency is now down to 548 scientist-years, permanent full time, as compared to about 1,000 about 10 years ago.

Senator BYRD. So some equipment and facility improvements get deferred, I assume.

Dr. LEWIS. We have both equipment deferrals, as well, which would be an impact.

Senator BYRD. When these types of investments can no longer be put off, then what will the agency do? Will it defer hiring and filling of vacancies?

Dr. LEWIS. We can defer hiring and filling of positions only to a point. And at that point we end up closing a number of locations.

Senator BYRD. Yes; though I am not suggesting that you do that. We want to keep abreast of these needs.

What actions are being taken to fill the vacant unit leader and scientist positions at Princeton?

Dr. LEWIS. We currently have an employment certificate to fill the project leader's job down at Princeton. Our No. 1 candidate did not accept the position, but we have made an offer to the No. 2 candidate on the list. We hope to have that position filled shortly.

Senator BYRD. Mr. Chairman, I have other questions. I will submit them.

Senator GORTON. Senator Byrd, your questions and the talk about Princeton reminded me that last night I had dinner with a friend whose avocation is thoroughbred horses. He told me of a recent trip to Charlestown in West Virginia and commented on the magnificence of the roads and the schools in that area. I was beginning to wonder after this opening whether there would be any building sites left in West Virginia.

Senator BYRD. There will be building sites left.

Senator GORTON. I suspect so and that we will hear about them. [Laughter.]

Senator BYRD. Mr. Chairman, let me just comment about the schools.

You have before you a product of a two-room school. I started out in 1923 in a two-room school. We had outside plumbing and we drank spring water. It was all in one bucket and we all drank out of one dipper. So far as I know, we are all well and healthy, still.

We have progressed a long way from the two-room school. But it might be a good thing if all the children of our country could have the experience of going to a two-room schoolhouse and attending there for a year. They learn from the upper gradesmen and they have dedicated teachers. Mine did not get paid very well, but they were highly dedicated.

Well, so much for the two-room schoolhouse.

Senator GORTON. In any event, I regarded the comments last night as a great compliment to the senior Senator from West Virginia.

Senator BYRD. Thank you.

Senator GORTON. Senator Cochran has only a few brief questions and I am going to turn to him next. The others, in order of appearance, are Senator Craig, Senator Domenici, and Senator Bennett. I am going to defer my own questioning to the end because it is quite extensive.

So, Senator Cochran, we will go to you.

Senator COCHRAN. Thank you very much, Mr. Chairman.

MISSISSIPPI FORESTRY RESEARCH

One of the functions of the Southern Research Laboratory at Stoneville, MS, is to develop programs in the management of bottomland hardwood resources and a greater understanding of the hydrology and other aspects that are unique to this important national resource.

There is concern that as we focus on the Forest Service we think about public lands, but there are a lot of private lands, particularly in the South, that could benefit from technical assistance and research that is done at these Federal facilities, like Stoneville.

I know Dr. Lewis has personal experience at that facility. It is where he started out his career and now he is at a point of high level of importance in the Forest Service. We congratulate you on your outstanding career and what you continue to do for the country in this capacity.

But my question—and I will submit this so that you will have a greater opportunity to talk about some specifics—is how we can do a better job at these research facilities. We have subunits located in Oxford and there is a Forest Service lab at Mississippi State University. All are working on specific problems. But particularly the bottomlands hardwoods is a concern of mine as it is with many private landowners in our State. How do we reforest more effectively the cropland that had been cleared once upon a time and is now being put back into bottomland hardwood resources?

Also, there is some specific research at the Forest Lab at Mississippi State University on the termite issue. We have had some pesticides that have been taken out of use because of dangers to

health and human safety. They are trying to do something to find substitutes there.

I hope you will look at those issues. You may be able to respond now on this subject of the bottomlands hardwoods research. I don't know whether Mr. Dombeck or Dr. Lewis want to respond to that. But I have those questions that I want you to look at and provide answers for the record.

[The information follows:]

WOOD PRODUCTS INSECT RESEARCH, STARKVILLE, MS

The mission of this unit is to define the role of termites in forest ecosystems, to improve protection of wood against damage, and to understand the impact of termites on forest health. It is the primary federal research unit working on control of termites in buildings. All new termiticides must undergo extensive laboratory and field testing by this unit prior to EPA registration. Field testing and screening sites are located in Arizona, Florida, Maryland, Mississippi, South Carolina, and on Midway Island and in the Panama Canal Zone. The unit works closely with the Department of Defense, state termite inspection agencies, chemical and wood products firms, and Mississippi State University. In addition, the unit conducts research on the role of termites and other insects in decomposition of wood in forest ecosystems enhancing nutrient cycling. This unit collaborates with the International Institute of Tropical Forestry in the Forest Service's tropical forestry program located in Puerto Rico.

CENTER FOR SOUTHERN BOTTOMLAND HARDWOOD AND WETLAND FOREST ECOSYSTEMS, STONEVILLE, MS

This new research work unit, formed in fiscal year 1996, is a consolidation of the following former four units and includes units formerly administered at Starkville and Oxford, MS:

Technology of forest tree seeds.—This unit develops methods of collecting, conditioning, and storing eastern forest tree seeds that will generate and maintain high seed quality. Research results are used forest nursery and seed orchard managers with National Forest System Region 8, forest industry, and southern state forestry agencies. The unit is a partner in the tree seed research cooperative at Mississippi State University and collaborates in regional, national, and international projects of the cooperative. The location will still be open with two scientists.

Multiple-Resource Management of Southern Bottomland Hardwood and Wetland Forest Ecosystems.—This unit provides the information required for ecologically sound management guidelines necessary to maintain, protect, or enhance the structure, function, productivity, and value of southern bottomland hardwood and wetland forest ecosystems. Research results are used by land managers in Federal and state agencies, forest industry, and non-industrial private forest landowners to manage natural stands of bottomland hardwoods. Expanding efforts to reforest marginal agricultural land and to restore forested wetlands have caused a resurgence of interest in research results for this unit in artificial regeneration methods. This unit participates in the Southern Research Station's Ecosystem Management Program, and with "Partners in Flight" to develop landscape-scale approaches to forest management for multiple resources, including habitat for sensitive neotropical landbirds.

Watershed Ecosystem Research for the Mid-South Upper Coastal Plan and Interior Highlands.—This unit, located at Oxford, MS, was closed in fiscal year 1996 and the research transferred to Stoneville. The location will still be open with three scientists. This new sub-unit conducts hydrologic and aquatic ecological research to identify rational forest management strategies that will aid in the maintenance of diverse, healthy ecosystems; allow sustainable use of forest resources, promote recovery of depleted species and communities; and product quality water. It is the key sub-unit for watershed in the Mid-South states.

Management of Insect and Disease Pests in Southern Hardwood/Wetland Forest Ecosystems.—This unit develops pest management strategies and guidelines necessary to minimize insect and disease losses in intensive culture and multi-use stands of southern hardwoods. This is the lead Forest Service unit for studies of oak wilt.

FORESTRY RESEARCH RELATED ISSUES

Chief DOMBECK. Thank you, Senator Cochran.

I would just like to say to Senator Byrd that I spent 4 years in a four-room school. [Laughter.]

It also had the plumbing out back for the first 4 years. Then we did get more modern plumbing.

I wanted to make two or three points because I know a lot of the issues that the committee has made in opening statements talk about significant concerns about the Forest Service. I also want to point out that 490 million acres of forests are in private ownership, and—not only in research, but in the State and private forestry programs and the need for good information—the Forest Inventory and Analysis Program is an area where I see no opposition from State Foresters to academia to the Forest Supervisors and private land owners. They need those services. They want that information.

I just want to point out that one of the things that keeps me going in a job that is fairly controversial like this one is to continually look across the spectrum because there are many, many areas of agreement. The Stewardship Incentives Program is one that is important because the number of tracts of land 50 acres or less in the United States has doubled from 1978 to 1994. Not only is this fragmentation occurring, but also the turnover, rate, the rate of turnover, is increasing. And yet, we only have 5 percent of those private land owners who have professionally based management plans for whatever the objectives.

I just want to thank you for your support for research and these programs that are important. I know that Dr. Lewis has personal knowledge of what goes on at Stoneville since he worked there for a number of years.

MISSISSIPPI FORESTRY RESEARCH

Dr. LEWIS. Thank you, Chief Dombeck, and thank you, Senator Cochran. I was born about 15 miles from Stoneville.

Senator Byrd, I went to school in a one-room schoolhouse, which was also our church, by the way. [Laughter.]

I can relate to that very well.

Senator Cochran, Stoneville, MS is where I started out. The bottomland hardwood problem and opportunity is tremendous there. In fact, we have a number of exciting, interesting, and very productive research reports that came out of Stoneville, which is internationally known. For example, there is the work on cottonwood—the eastern cottonwood, poplars—known all over the world, in fact.

Mike Dombeck and I had an opportunity to visit with people at the World Forestry Congress last year where we had an opportunity to talk about the poplar council internationally. Also the termite work at Starkville, MS, is extremely important. As you pointed out, we have some major problems. Chlordane, for example, was once the primary termiticide used to treat and prevent termites. That has now been lost. We have to have alternative treatments. We are working with the U.S. Environmental Protection Agency in evaluating the efficacy as well as the safety of alternative methods of treatment for termites.

That is an area that we would really be happy to address. We look forward to following up with written responses to your questions.

Senator COCHRAN. Thank you very much.

FRANKLIN COUNTY LAKE

The only other subject I wanted to mention, which I mentioned in my opening statement, is the Franklin County Lake on the Homochitto National Forest. We hope you will take a look at that and give us a status report and what you plan to do to help accomplish the goal of establishing that resource, that recreational resource.

Chief DOMBECK. We will be happy to do that, Senator Cochran.

Senator COCHRAN. Thank you very much.

Thanks, Mr. Chairman.

[The information follows:]

PROJECTS

This project—the Recreational Lake and Complex at Porter Creek, Franklin County, Mississippi, Homochitto National Forest, Homochitto Ranger District—was initiated by the community leaders in Franklin County, MS. They have tried for 30 years to secure federal funding to build a 1,100-acre lake to diversify their economy. The community leaders requested that the USDA Forest Service assist them in improving the rural development and economic diversity of the area.

This project could create private sector business opportunities, assist existing local businesses, improve water quality by remedying raw sewage flow into Porter Creek, and prevent additional head-cutting of streams in the watershed. They are now attempting to leverage State and federal funds. It is estimated that more than $12 million would be needed for construction of the dam, contract administration, and surveying and mapping of the lake cross sections and pool levels.

This project is new construction. New construction is not a priority for the Agency at this time in order to focus resources on the backlog of reconstruction needs. The Agency priority continues to be on capital investment priorities which emphasize reconstruction of health and safety issues, water and sanitation projects, and recreation backlog, rather than new construction. New construction adds to out-year operation and maintenance (O&M) costs; it is unlikely that additional O&M funds can be provided from the national level in the out-years to support these new facilities and structures coming on-line. In the case of a dam, the maintenance and reconstruction costs in the future can be significant, along with the liability issues. Based on previous data for dams in the Region (and none are the size of this one), it is estimated that annual O&M costs would be about $75,000.

The USDA Natural Resources Conservation Service (NRCS) received $250,000 in fiscal year 1996, $550,000 in fiscal year 1997, and $3,000,000 in fiscal year 1998 to accomplish design, technical assistance, and complete construction documentation on this project. The NRCS is experienced with the construction and reconstruction of dams. The Forest Service would partner with them to do the actual construction if this project is directed, earmarked, and additional funding is provided.

In fiscal year 1998, Congress earmarked $1 million in the Forest Service budget for Franklin County Lake. These funds would have been used to: obtain detailed survey information for planning (topographic survey of the dam, basin, and developable area, and detailed soil surveys of developable area above pool level); search out and cultivate interest in Private/Public Venture prospects to build the recreational facilities; develop a conceptual development plan with input from private partners who might be interested; and advertise for formal partnership. Any available remaining funds would partially fund the Forest Service share of construction and design costs. This funding does not provide for dam construction, which is estimated at approximately $12 million. This project was line-item vetoed by the Administration and funds were not appropriated.

FRUSTRATIONS IN THE WEST

Senator GORTON. Senator Craig.

Senator CRAIG. Thank you very much, Mr. Chairman.

Gentlemen, I had mentioned in my opening comments the frustration that is going on in Boise at this moment. Boise National Forest has proposed to ignite 5,400 acres of land out there in a pre-

scribed fire, a prescribed burning. You and I have discussed that at length over time and both agree. The fire and the overall management of our forests for health, for the necessary cleansing that must go on is appropriate.

But I am highly frustrated. The phone calls that flooded my office were done during a period of inversion. Boise filled up with smoke.

A woman called in. She was desperate. She had a child whose lungs were spasming because of respiratory problems. All of that was going on.

Now the inversion happened to lift yesterday. The phone calls are slowing down today. But Idahoans are extremely frustrated.

When I have said that we now have a merely zero cut policy on our lands, we are now burning them. And, while I am out there trying to defend a reasonable fire policy, a 5,400 acre sized fire or proposed burn on the Boise National Forest is, in my research at least, the largest one ever proposed in the history of the Boise National Forest.

HOT SHOTS

What spirals around all of that is the fact that we have some very real difficulty with our historically and well known hot shot teams out there, known for firefighting. We have El Niño. The continued buildup of fuel on the forest floor is continuing, and we just fired one of the major ways at least to control fire, our hot shot crews.

I have met with the regional forester. I understand the controversy around that one and I am certainly willing to give management the latitude to deal with it. But it kind of sounds like the baby got tossed out with the dirty water in this instance, and it gets to be of real frustration to the citizenry. It is one that I think we are going to have to have some answers on—the assurance that the fire center in Boise is capable of maintaining its abilities and certainly the hot shot crew is available, or some form like that. Also, how do we deal with the question of the burn? Have you involved yourself with Idaho's Department of Environmental Quality in the process of working out these kinds of proposed burns?

Chief DOMBECK. Let me start by addressing the hot shot issue. In fact, I spoke with our Director of Fire and Aviation just last night again about this issue, Mary Jo Lavin, and expressed my concern again that we maintain the capability to deal with situations. And in the case of the Boise Hot Shots, there were some serious problems that had to be dealt with, and I am hopeful they are being dealt with appropriately. There is still some continuing investigation going on and the possibility of the Department of Justice involved in some potentially criminal activities.

But the capability nationwide in hot shots by disbanding that crew is reduced from 1,160 individuals to 1,140 individuals. The requirement that I have on this action is that we not reduce the capability because it is lives and the things that you have described that are at stake out there.

IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY

The second issue, on the coordination with the Department of Environmental Quality: Our policy is that that occurred at the local level. I am not familiar with the situation that you described from the standpoint of whether there were errors in weather forecasting or whatever.

One of the advantages of a controlled burn versus a wildfire is the fact that wind direction, weather conditions, and all of this can be taken into consideration to minimize the effects that typically occur with a fire. And we would rather have them in a situation where we can minimize those, or somehow react to what we know is coming, rather than deal with a disease over which we have no control.

Senator CRAIG. Mike, I and my staff asked a lot of questions in the last few days and the answers we got were kind of like this [indicating] "somebody else made the decision."

I think that we may want to examine how those decisions got made.

I am not denying that decisions have to be made and that fire should be a tool, as I said earlier. But we have some very real problems there.

I am also very frustrated in the regional haze game—I call it a game that is getting played by EPA—and the particular game that is getting played by the EPA. The actions of the U.S. Forest Service and this administration were terribly inconsistent with the politics of EPA in the last week out in Idaho.

I am very frustrated at who is wagging the tail of the dog out there, or back here, when it comes to those kinds of issues.

Now I don't expect you to respond to that, but that is my internal reaction. How can we make sense or how can our public make sense of all of these conflicting policies when that kind of thing happens?

REGIONAL BUDGET DECLINES

I met with the regional forester in region 4 while I was out there, and you have put an excellent man in place there. I think he has tremendous talents. I look forward to working with him and I think our State does, too.

We shared some joint frustrations. This question alludes to that.

As you know, the Forest Service lands in Idaho represent regions 1 and 4. That is about 39 percent of the land base in the State of Idaho. Over the last 5 years, the budgets in those regions have declined substantially, or at least there is a graduating decline.

Regions 1 and 4 received 17.4 percent of the total Forest Service budget in 1993, but in 1998, the region received 13.4 percent.

I guess I will have to ask you why did regions 1 and 4 receive 4 percent less of the total Forest Service budget, as compared with 1993, when it appears that the demands in that region are constantly being ramped up. That would be my first question.

If you cannot respond to it now in detail, I think it deserves a detailed response and I want to sit down with you and analyze why that trend is happening to see if we can't break out of that trend.

Chief DOMBECK. Yes; in fact, there is some history that I cannot articulate here from the standpoint of the change in the line item and the criteria that Randy knows more about than I do. I am not sure we want to get into that level of detail.

FINANCIAL MANAGEMENT

But in general, I would like to say that this, in a sense, gets back to some of the business accounting data valuation things that I alluded to in my opening remarks when I talked about the financial management and the business management decisionmaking process. So I think what is woven into this goes beyond the resource issues. But it is also one of the things good business management systems I think can get for us, an added dimension to the decisionmaking process that will promote efficiency and effectiveness; that is, more efficient use of the dollars that we have resulting in more effectiveness in the employees that we have on the ground.

I think we share the same objective. I am frustrated as an individual who is head of an organization that we cannot get more dollars to the ground to work on the land. I believe that looking at these systems over time will greatly enhance our capability over there, along with simplifying the processes.

Senator CRAIG. That percentage of reduction, from 1993 to 1998, factored out represents about $130 million in funding that has been displaced substantially. There have been a variety of initiatives out there that have been assumed that were not authorized and appropriated. So as you analyze that, I think it is reasonable that those ought to be compared.

In other words, we put budgets forth to do certain things. The Congress authorized it; the money did not go there. It went elsewhere, to things that were, I guess, of greater value in some instances to this administration than to the Congress collectively. I think that frustrates us all as we try to deal with these issues.

Mr. Chairman, I have one more question. You have been generous with your time.

I think this is important here because it is kind of how do we get there.

ROADS MORATORIUM

Last year, when we fought the roads battle, Mike, as you know, it was interesting that the administration really did not come out and defend their own policy. It was their own party's people that largely were attacking their own policy. We just could not find you. Nobody was willing to fight the good fight.

You have a road policy this year. You have a Senator on the other side of the aisle, Senator Bryan of Nevada. He has already said that he is going to introduce legislation to knock it out.

I guess I am going to ask this question. Are you going to come up and defend the budget this year when it relates to roads? Are you going to be willing to work with us to try to save it?

That did not happen last year. No; after that was all over, you and I had our discussions on how we ought to work to resolve this issue and see if we could not come to a bipartisan solution. We all know the rest of the story.

ROAD MAINTENANCE BACKLOG

So here is the question. You testified that you have a $10 billion road backlog for roads and maintenance. You also know that timber purchases used to pay for 40 to 45 percent of road maintenance. Now that is declining dramatically and for a lot of reasons, some of them by policy of this administration. This is maintenance that recreationists and other agencies use. We all know that. And all of our public uses it, too.

I guess my frustration comes here. If the road policy today or the road conditions today are a part of self-infliction by an inability to get other things done that deny the revenues that often go to maintenance—and that appears to be the case in some instances—why should the Congress take about 30 percent of recreation and wilderness budgets and put that money into road construction and maintenance?

Do you follow my thinking? That is what it appears we are being asked to do here. We have whacked the other side of the dollar generating equation that has gone into maintenance and construction over time and now you are saying let's pull money out of other places where there are substantial needs and put it into roads for construction or maintenance.

Mr. LYONS. Senator, if I could address that since I raised the issue, as I indicated, I do not think it was the intent of the agency for a time to neglect the road system. We simply did not have the resources to keep up. You are correct. Declines in appropriations and timber sales have limited our capacity to reinvest in the road structure.

I am not sure we ever had the resources to keep up, but that has exacerbated the situation.

We have limited capacity, though, to obtain funds from the recreation community and other sources to provide for those investments. What I was addressing in particular with regard to the $10.5 billion backlog is that roads, for all intents and purposes, are public highways. They are part of the public land highway system.

There ought to be another source of funds to make that investment. That would then free up appropriations in our road account which all now go to maintenance to do some other things, to address some of the other concerns you raised. The Congress is obviously in conference considering a rather large highway package and that may be one place to look for some help on this issue.

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

Here is a simple question. Are you going to work with us to defend your road budget this year against attack?

Mr. LYONS. Yes, sir.

Senator CRAIG. Even if it comes from the other side of the aisle?

Mr. LYONS. We will defend the President's budget.

Senator CRAIG. If not, we are going to start taking money out of good programs to solve this road problem. Then you are going to have everybody else on top of us, recreationists and all other kinds of users of that resource, to address this problem.

So you have to defend the policy you bring up here. You cannot walk away from it. You did last year.

Thank you.

Mr. LYONS. Senator, we will defend the President's policy and I want to say publicly that I am proud of Mike's efforts to be aggressive about dealing with road issues and to have a better informed debate about the road issue this time around.

Senator CRAIG. I hope so.

Thank you.

Senator GORTON. Senator Domenici.

Senator DOMENICI. Mr. Chairman, I assume that Mr. Francis Pandolfi, who has been the supervisor of the major report—we didn't get that report in time for this hearing, as I understand it.

Senator GORTON. That's correct.

Senator DOMENICI. But I assume that it will be reviewed in due course by the subcommittee?

Senator GORTON. I'm sorry. We did get a copy in the last few days and we will have it available for you and for study.

Senator DOMENICI. Thank you.

I was thinking that it would be very relevant, Mr. Pandolfi, to talk to you today about it. I don't know what to ask you, so I'll wait until I have a chance to review it. Maybe the chairman can submit some written requests or the like.

LAND ACQUISITION

Let me talk a minute about a land acquisition prospect in the State of New Mexico that you all favor greatly—the acquisition of the Baca location in northern New Mexico.

I note that we still do not have an appraisal of what it might be worth and that the Forest Service is not going to do one but, rather, will rely upon the property owners to do one pursuant to some guidelines that you have agreed to submit.

Do you know the status of that, and why wouldn't we do one ourselves if you are so excited about acquiring this property?

Chief DOMBECK. I am not sure I can answer why we are not doing one. What I can say is that the new Regional Forester in that area is Ellie Townes who, of course, was the Director of Lands prior to that job and certainly one of the most knowledgeable people in the agency with an impeccable reputation on these issues. I rely on her expertise in this area.

Randy or Jim, do you have any additional information on that specific question?

Mr. LYONS. Senator, I think I can tell you at least the status, and that is we have provided guidelines to the appraiser that will be employed by the family to do this appraisal. I think part of that is simply to insure that they pick up the cost of the appraisal.

We fully intend that the appraisal be consistent with standard procedures and guidelines so that it is an appraisal that we can both live with and that we feel is totally accurate.

We will give you an update on the situation in detail.

Senator DOMENICI. I would like an update.

Mr. Chairman, this is one of the very large land acquisition prospects that the President has requested out of your $299 million fund.

[The information follows:]

APPRAISAL

The value of the Baca Location No. 1 is currently being determined by an appraiser hired by the owners of the property. We have met with the appraiser to discuss the appraisal standards used for Federal land acquisitions and our review/approval procedures for appraisal reports provided to the agency. Because of the size and unique resources associated with this property, we have contracted with an independent appraisal firm to provide us with information that will allow our appraisers to be knowledgeable of the market for this type of property. We are confident that we have the information and resources necessary to assure the agency can review any appraisal report provided to the agency. If the report is approved, it assures the report has been completed to Federal standards and represents market value of the property. If for any reason the report cannot be approved, we have the resources to establish a value in accordance with Federal standards.

BACKLOGGED MAINTENANCE

Senator GORTON. $699 million.

Senator DOMENICI. Yes, $699 million—that everybody thinks will solve all the problems from the backlogged maintenance to all the new acquisitions. What I was just saying in your absence was that an appraisal is taking place. We don't know whether this property is worth $75 million or $250 million. The property owner is doing the appraisal under guidelines from the Forest Service and I am just, right now, going to make the point that I am not ever going to agree to anything in this regard until we know exactly what it is going to cost us.

Senator GORTON. You have discussed that with me before and I am certainly going to defer to you in that respect.

Senator DOMENICI. There may be some other things that we need to do.

I want just to go through four or five other things. I will not ask you to answer them but will tell you that they are important and that I am submitting something to you in writing.

LAND EXCHANGE

In the Cibola National Forest, which is over by Grants, NM, and the Mount Taylor area, there is a checkerboard land exchange of which that your staff is aware. There may be some desire to put those kind of things off for *x* number of months. Frankly, this one seems so rational and so logical for both sides, I have submitted some details as to why you might look at that for us.

TAOS DRAINAGE PROBLEM

Then, up in the town of Taos, NM, there is a very big drainage problem causing a whole lot of damage. The town finally got an engineer to say from where all of this runoff comes. It turns out that 60 percent comes from the Forest Service and 40 percent from other topographical changes that have occurred.

We have submitted a request that you seriously look at what your responsibility is with reference to the damage from that runoff. I am submitting something more in detail. If you would, please look at that situation for us.

NEW MEXICO RESEARCH

I have a question on forest research as it applies to some of the research taking place in Albuquerque, but it only has to do with

why did you not increase funding there when you did elsewhere. I would like you to answer that, and I have given the details to you right here.

FOUR CORNERS DEVELOPMENT PROPOSAL

You know that the Pacific Northwest is leading the way in trying to aid the transformation of forest industries in their communities where they have suffered enormous job loss because of the substantial diminution in timber cut.

In the Southwest, several States are getting together—mine is one of the States, Colorado is one of the States—and are going to propose something for the four corners area, which touches all four of the States—that is Utah, Arizona, New Mexico, and Colorado.

Are you willing to work with the State and local agencies who are working on that issue much as you did in the Pacific Northwest?

Chief DOMBECK. Yes; in fact, when I met with your staff yesterday afternoon, that was one of the issues we briefly discussed. I know it is a multiagency effort that the State Foresters are interested in, that the tribes are interested in. It fits right in with the objectives that we have from the standpoint of sustainable forest management, sustainable economies, and using improved technologies to get the job done.

Mr. LYONS. I should also point out, Senator, that I have met with Jill Long Thompson, my colleague in the department who is Under Secretary for Rural Development. We are working together to coordinate efforts in the region to provide that kind of assistance.

Senator DOMENICI. All right.

RIPARIAN PROXIMITY GRAZING

My last question has to do with the most recent agreement or settlement of dispute that was resolved with reference to about 57 rancher allotments in the States of New Mexico and Arizona that have to do with use of riparian proximity land by an allottee for cattle grazing.

I am not here to argue who is right in that regard at this point, however, I wonder if you might submit for the record what is the policy and the law with reference to these ranchers being denied that usage. Let's assume for this question that that is the way it ought to be.

How difficult is it for them to acquire water and to build tanks and reservoirs that are away from the riparian right of way to take the place of this water?

I understand this could be hearsay twice over. I understand from some ranchers that it is very difficult for them to get permission to build a water reservoir or a major tank so that they can move cattle away from the riparian areas.

Now, obviously, my concern for them will not be joined by a number, maybe three or four of the environmental organizations—not all—who don't want any grazing at all. They would like to see the water go away and you would have no replacement anywhere. Thus the cattle will go away.

The issue is becoming less and less important because ranching is going more and more into bankruptcy and is less and less able

to graze. I just wonder if you could supply us with this information. What will a rancher be confronted with by way of acquiring some water away from the riparian areas? Maybe we can help alleviate the permitting problem if, indeed, it is too restrictive and too difficult.

Chief DOMBECK. We would be happy to provide that for you. Yes.

Senator DOMENICI. Does this question make sense——

Chief DOMBECK. Yes.

Senator DOMENICI [continuing]. That if we are going to move them away, it seems like we ought not to destine them to no water if they could build tanks or the like somewhere. I would greatly appreciate your answer, and I know that we might work on something to alleviate the problem that is too rigid.

[The information follows:]

RIPARIAN AREAS

In answer to your question regarding the most recent settlement of dispute, this did not involve moving cattle away from "all" riparian areas. However, it did involve excluding domestic livestock grazing from certain riparian areas which provide habitat for certain federally listed species under the Endangered Species Act. In no instance are we aware of a situation where this action has resulted in a rancher being unable to use upland areas because of the unavailability of water. To the contrary, many of the exclosures provide water gaps for livestock. In addition, the construction of stock tanks on National Forest System lands in Arizona and New Mexico has long been recognized as a good management practice. The limiting factors have been funding, and in certain instances factors such as unsuitable geologic conditions which make it uneconomical or impractical to consider construction of stock tanks. We have and will continue to work with the livestock industry to provide desirable range improvements including water away from riparian areas.

LITIGATION AND MULTIPLE USE

Senator DOMENICI. Do you know anything more about it, about that issue?

Chief DOMBECK. I am aware of the issue, Senator. I was recently in Las Cruces with Secretary Glickman for a hearing on some of our agriculture programs and that issue came up. So we will have to look into it and give you the details. It obviously makes sense to try to provide some way of addressing the concerns.

Senator DOMENICI. In that regard, I do want to say for the record that part of the problem that the Forest Service and the BLM is having with reference to management is the fact that they are buttressed on all sides of every issue by litigants who seem to have found a way to get into the court on issues that nobody ever thought existed.

To the extent that you can, you have been trying to defend the multiple use prerogatives of the forest lands, which is your charter. It is being made difficult by some who are not the least bit reluctant to file law suits, and then everything is tied up.

I understand that is part of a very difficult situation that you have. I would only urge that you be as fair as you can and that you consider everybody's rights and consider the charter of the forest lands when these decisions are made.

Thank you very much, Mr. Chairman.

Senator GORTON. We are toward the end of a single rollcall vote. In this connection, Senator Bennett has already gone to vote. We

will begin again with his questions and will try to keep the interruption to as short a period as possible.

[A brief recess was taken.]

Senator BENNETT [presiding]. The subcommittee will come to order.

Senator Gorton will be back with us shortly but did ask that I continue the hearing in his absence.

Mr. Lyons, Mr. Dombeck, I want to welcome you both. You have heard a lot of thunder from some of my colleagues, and I will let that thunder stand on its own and not add to it.

2002 OLYMPICS

First, Mr. Lyons, I want to thank you for your tremendous assistance in working to resolve the difficult issues relating to the preparations for the 2002 Olympics. This is a once in a lifetime experience. It is tremendously involved. I went to the Olympics in Nagano and spent time talking with the Japanese officials there. I came back a little bit frightened at the difficulty connected with transportation issues, safety issues, security issues in a winter environment. I know they had problems in Atlanta, but at least the sun was shining the whole time and the streets were clear.

In Japan, they were faced with uncertain weather. They had to cancel events because of the weather and then reschedule everything. As we prepare for the 2002 Olympics in Utah, we recognize that we must learn from the experiences of other Olympic games. We must be prepared.

I know that you are taking some heat for your willingness to assist us. I am taking some heat from constituents who clearly have better ways to do things. But I don't think we have any choice but to proceed in the way that we have and I am personally very grateful to you for your support for that. I want that to be on the record.

APPRECIATION FOR FOREST SERVICE PERSONNEL

Mr. Dombeck, I want to thank you for the Forest Service personnel that you have stationed in the State of Utah, and I hope you leave them there. We have some very, very fine people. There are Bernie Weingart of the Wasatch-Cache, Burt Kuluza in the Ashley, and Hugh Thompson on the Dixie. Among other things, they always give me and my office a straight answer when we ask them tough questions. They do not dodge or hide behind bureaucratic language. Sometimes it is not the answer I want. Sometimes it may not be the answer you want. But we appreciate them.

We miss Dale Bosworth, but we look forward to working with Jack Blackwell. We appreciate the support you give them.

ROADS MORATORIUM IMPACT ON TIMBER

On the moratorium on the roads and the impact on board feet, again I will allow my other colleagues to lead the fight on that one and won't add to the conversation that has already gone on. But the initial indication was that the moratorium would impact between 200 million and 250 million board feet. We are now seeing an impact of 100 million board feet in our region alone. That is disturbing.

I simply want to put that on the record and, again, look forward to discussing that with you as we move forward.

TOWN OF DUTCH JOHN TRANSFER

Going down my laundry list, I want to express my appreciation to the Forest Service for your support of my legislation to transfer the town of Dutch John from public ownership to private ownership. I think it will save the Forest Service some money. I would like to save the Forest Service some money and I appreciate your willingness to testify in behalf of my legislation on that issue.

RED BUTTE DAM

Here is a very small item, but with no one else waiting to question, we might as well talk about it. My staff has brought to my attention the issue of the Red Butte Dam above Fort Douglas in Salt Lake City. This is a problem between the Forest Service and the Army. The Army has decided that they will not keep up the dam anymore and the Forest Service, understandably, does not want to pay to bring the dam up to standard.

We have met with the Forest Service. We understand the Forest Service side of the issue. We have not yet met with the Army. So, naturally, at this point the Army has nothing valid in their position and the Forest Service is right all the way down the line.

Isn't that the way it usually happens when you only talk to one side? [Laughter.]

But we intend to hear from them to get their understanding of their problem with this. Then I would be happy to act as honest broker, if that is what it takes, between the two agencies to try to resolve this.

Do you have any knowledge of this one or am I catching you completely off-guard?

Chief DOMBECK. Most recently, we were in Utah within the last month to a month-and-a-half and got briefed on a variety of issues. One of the things that was mentioned was this Red Butte Dam. I was pleased that the Forest Service was able to step in and at least deal with the safety issue in the interim until we get the issue resolved and determine exactly where the Army is coming from.

I believe Jim has had some recent correspondence, or at least some dialog, and I would just let him elaborate on that.

Mr. LYONS. Senator, since your State office informed us of this problem, we have been dealing with it almost daily, at least weekly.

In fact, just this morning I sent a letter to the Acting Secretary of the Army urging him to take a personal interest in this issue and to help us resolve the issue. I am sorry I did not bring a copy of the letter. But I will have it sent up to your office.

I initially spoke with Mike Davis, who oversees the Army Corps of Engineers, who informed me that this was a real Army issue, not an issue for the Army Corps. He directed me to the Secretary for the Army.

So we intend to get it resolved. I am pleased to see that the Army at least has agreed to put a dam tender on the dam this spring so that when flood season comes and high water comes, the

dam will get the kind of attention that it requires and public safety will be a paramount concern.

But long term, we do need to work this out. We think and I hope, with the overtures we have made to the Army again today, that we can reach resolution on this issue very quickly.

Senator BENNETT. Thank you.

We will. There is no guarantee when it comes to weather, but given the kind of winter we have had and the thaw pattern, there is a very real chance of floods this year. The last time we had a year that had the same temperature pattern and the snowpack that we have had this year, we ended up with sandbags down the main streets of Salt Lake City and a major river running through the city because the snowpack was held with low temperatures for a long period of time and suddenly it went into the 90's. Instead of a slow, progressive melting of the snowpack, we had it all happen within something like 48 hours.

As I say, in the middle of May we had a major river running right through downtown, causing our Governor to comment: "This is a hell of a way to run a desert." [Laughter.]

I have no further questions. I again want to thank you all for the things you have done. I will have some questions that I will submit in writing.

I see the chairman has returned and I am happy to turn the gavel back over to him.

Senator GORTON [presiding]. Thank you, Senator Bennett.

I invited Senator Gregg to come back who looked forward to a long wait a couple of hours ago but who now can go right ahead.

Senator GREGG. Thank you, Mr. Chairman. I appreciate your courtesy.

I know that you have not even had a chance to ask questions yet. So it is extremely kind of you.

WHITE MOUNTAIN NATIONAL FOREST

First of all, let me say that New Hampshire has had a little different experience than those States of some of my fellow Senators. That, I suppose, is true in many areas of government. But our experience at the White Mountain National Forest is one that is very positive with the Forest Service. Donna Hepp has been an extremely positive community participant and has done an excellent job heading up the White Mountain Forest. We have had a few issues over fees, but we are in the process of doing a forest plan which has all of the stakeholders involved. We have always had a very cooperative attitude in our State between the forestry community, the timber people, and the recreational people and the environmentalists.

We are able to all sit at the same table and try to work things out in most instances, and we are trying to do that right now.

I guess my question goes to a more global issue, however, which is this—and I will leave this to whoever is the proper person to answer it.

The demands on different forests vary dramatically, obviously. The primary purpose of the Forest Service, I understand, is to maintain the silviculture of the area. But with larger forests, obvi-

ously in the West, the primary costs, I presume, are related to utilization of the forest for forestry activities, such as cutting timber.

NEW ENGLAND FOREST RECREATION USE

In New England, and especially at the White Mountains—which I think is the most visited national forest in the country—timber activity is very big and a very important part of it, but there are a lot of other uses, too. There are a lot of recreational uses. As a result, its utilization is extraordinarily high by people who are just wandering around it, enjoying it, skiing on it. There is snowmobiling, cross country skiing, climbing and people generally use it as a place to view scenery. There are a couple of major tourist attractions in the middle of it owned by the State, so a lot of people just move in and out of it.

So the demands are different and the staffing is different as a result of that. We have to have a lot of people who just basically manage people, as versus a lot of people who manage trees. We need the people who manage trees, too.

ALLOCATION CRITERIA

When you are allocating your funds, my sense is that your allocation is done pretty much on an acreage basis without relationship to the fact that we end up managing a lot of people and, therefore, have a lot of demands that are a little different than a typical forest would expect, and especially the White Mountains, which are so heavily trafficked.

I guess that is a long introduction to my question, which is this. To what extent is the fact that the White Mountain National Forest is utilized aggressively for things along with the silviculture activity, to what extent is the allocation of resources to the forest reflective of the huge, unique demands that a forest like the White Mountain Forest has?

Mr. LYONS. Senator, I think I will start and then will let Randy give you the details on how we allocate funds between regions and forests. But I think the White Mountain is an excellent example of a forest that clearly is a recreation forest.

In fact, we would categorize it as an urban national forest because of its close proximity to urban areas.

Senator GREGG. It is an urban forest by law.

Mr. LYONS. That is right. Senator Gorton has a few, such as the Mount Baker-Snoqualmie and the Gifford Pinchot, which are two good examples, where urban use on the I–5 corridor puts tremendous demands on the forests which are very different from the demands the forest faced in the years past.

NATIONAL FOREST FOUNDATION

In fact, in several weeks I will be going up to the White Mountain National Forest to announce a $50,000 gift to the White Mountain National Forest that was facilitated by the National Forest Foundation to help invest in trail improvement and create a new trail.

Actually, the timber industry was a big part of providing the funds for that gift. So we are looking at new ways to fund pro-

grams to address recreation concerns and to address the increasing demands that are placed on these forests by urban residents and other users.

Recently, we reevaluated our formula for allocating funds and tried to take into account changing needs. The allocations are not solely based on acreage. They are based on resource demands, are based on visitation and other factors.

ALLOCATION CRITERIA

Senator GREGG. What percentage is visitation of the forest? Do you know?

Mr. LYONS. I will let Randy offer the details. But let me just make this one point, which is that we recognize that these changes are occurring. It creates a challenge not only for us in terms of how we allocate our funds but also for the organization, culturally, how we respond to those changes.

As you said, our biggest challenge right now is managing people as much as it is managing natural resources.

Randy can talk about the specific elements in the formula.

Mr. PHILLIPS. Senator, what might be helpful after I get through explaining this is to plan on a future meeting where we come up and give you a briefing of all the allocation criteria that we use for all the resources.

We are about in the second year of using a new allocation process that was developed with the help of all the regional representatives. It is certainly not a perfect system, but it is better than what we used in the past, which is, to some degree, based on subjectivity.

We use a combination of acres. We use a combination of the capacity of the recreation site. It varies between resource program areas based on what the program managers thought should be evaluated or should be used.

I do not have the exact percentages. I would be happy to get you those. We look at miles of trail, trail maintenance needs, and so on. There is a fairly long list of things that the staff uses in allocating those funds out. In many cases, the regions use those same criteria or have adapted them a little bit to allocate those out to the forests.

In land management planning, for the forest plans, we use acres to some degree. We also use whether or not a plan is coming up for revision. That would generate a little more funding to those forests that are actively revising their forest plans.

Senator GREGG. I think that is probably the best way to proceed. Maybe we could get together with your office and go over the specifics of it.

As you know, we are in the middle of the planning. We would like more resources for planning. That is important. We had some problems there starting out and, hopefully, we can resolve those relative to funds. But I am concerned that in a place like the White Mountains, which has a huge utilization because it is in the middle of such a concentrated area of attractions, and it itself is one of the main attractions, be reflected adequately in the allocation formula.

Mr. PHILLIPS. I will tell you that we did make some additional funds available to the White Mountains for that planning.

Senator GREGG. I know that.

LAND ACQUISITION

Mr. LYONS. I also just want to point out that yesterday, when the President was discussing the use of the LWCF funds which was mentioned earlier, Mr. Chairman, one of the items on our priority list—in fact, one of our top priorities—was completion of the Appalachian Trail, which we are doing jointly with the National Park Service. Some of the allocations for the trail from the national forests are for segments on the White Mountain.

Senator GREGG. I am not sure there is any private trail still in the White Mountain boundary. There is still private trail in New Hampshire. Most of it is owned by Dartmouth. But there is some private trail, but I don't think it is within that boundary.

Mr. LYONS. One of the other priorities we set that I should mention as well is the acquisition of Lake Tarleton.

Senator GREGG. Yes; very much so. The chairman has been extraordinarily helpful with Lake Tarleton, as he was with Bretton Woods. These are critical pieces to the national forest.

We appreciate the administration's support.

Thank you, Mr. Chairman.

Senator GORTON. The chairman may say that he views with great favor the completion of the Appalachian Trail. We have a number of priorities in the West and in my own State, but the Appalachian Trail is a truly major national asset. I hope that we can do a great deal with the money we have for land and water in that connection.

LONG-TERM ROADS POLICY

Chief, is it not the case that in connection with the new roads policy you have a comprehensive transportation planning review that is likely to prevent any harvest at all in roadless areas well into the year 2001?

Chief DOMBECK. No; I do not believe that is the case.

Regarding the temporary suspension of road building, I have specifically put an 18-month sunset in the proposal. It is one that I have a strong commitment to, largely because of the concern that many people have mentioned to me, that we do temporary things in our interim guidelines and somehow those kinds of things never go away.

I am committed to focus on that.

Also, I want to point out that work on a long-term policy is progressing well. As soon as the long-term policy is done, if it is before the 18-month period, then the long-term policy will replace the temporary suspension. Some would like this policy to be a policy that locks up roadless areas. That is not the intent. The intent is to focus on the issue of roads alone. It does not change land allocation.

I understand that the temporary suspension does preclude some activities. But also I have been a little bit surprised at the number of projects that are able to go forward. For example, some proposed sales had helicopter logging options, alternatives that they were able to utilize. Also, some reconfigurations were occurring. They have been able to reconfigure some sales and things like that

where perhaps only a corner of a sale was in a roadless area that might be covered by the proposal.

But I also want to point out that at this point it is a proposal. I want to finalize that proposal of the temporary suspension as quickly as possible so that people know exactly what the rules are. Then we can get on with the finalizing of the long-term policy.

Senator GORTON. That is at least an encouraging answer. I hope that you will work diligently to see to it that those assurances can be met and that we don't have something that literally goes on forever.

Chief DOMBECK. In fact, I have scheduled the Second National Leadership Team meeting, and the Regional Foresters and Station Directors will be gathering next week.

Senator GORTON. And this philosophy will be expressed to them in no uncertain terms?

Chief DOMBECK. Yes. Yes.

We will be gathering next week to take a look at the analysis, the comments, and other progress to date.

ACCOUNTABLE DECISIONMAKING

Senator GORTON. Mr. Pandolfi, is it your view from your business background that the agency's accountability and decisionmaking process is the mess that the GAO portrays?

Mr. PANDOLFI. Senator, I think before I comment on that I should say that, as was indicated earlier, having an MBA and working as a CEO in the private sector, as I have discovered in the last few months, is no guarantee of success in government. [Laughter.]

I wanted to express that to you.

However, under the rules of the committee today, the rules of performance for today's hearing, I also score poorly because my school had 100 rooms. It was in a brick building and it had indoor plumbing.

Senator GORTON. You and I are more similar, then, in our background. [Laughter.]

Mr. PANDOLFI. Having said that, I want to answer your question. The analysis of the OIG and the GAO reports with regard to the Forest Service is largely accurate. I think it is terribly unfortunate and unnecessary that conditions to cause such a situation ever developed. But I must say that those problems are certainly partly due to what has happened in the Forest Service. They are also due to external forces as well as what Senator Domenici mentioned with regard to the issue of litigation.

But if the Forest Service were a private sector company, it would be rated No. 450 on the Fortune 500 list. I must tell you that I cannot imagine a company of that stature in the private sector that has ever been in a situation such as that in which the Forest Service finds itself today.

Senator GORTON. It would not be 450 for very long.

Mr. PANDOLFI. No; it would not. Well, it might remain there, but it would certainly have new managers.

BUSINESS MANAGEMENT

In the Forest Service, we are overrun with data and we have very little information. For example, we have 75 million transactions, financial transactions, that occur every single month at 800 locations around the Nation where we enter data into our system. Yet we have no reliable financial statements.

I think it is just for such a predicament that the phrase was invented that "you can't see the forest for the trees." It is perfect. It is absolutely perfect in this case.

The truth is that we do not really know the dimensions of our problems. I do not mean to imply by that comment that they are any bigger than anybody has said that they are because, on the counter side, we do not know the size of our opportunities, either. And there are great opportunities in an agency that manages 192 million acres, with 35,000 employees and a $3.3 billion budget.

So all I can say is, and that was a long answer, that the answer to your question is yes, it is pretty much of a mess.

CONTROL BOARD

Senator GORTON. What is your response to Congressman Dick's suggestion of a temporary control board?

Mr. PANDOLFI. I do not have any idea of whether a control board—I do not honestly know what a control board would do. But if I were going to try to decide how to manage the Forest Service, I think what is appropriate is to look at what the agency needs and then to try to figure out what sort of mechanism might be appropriate. Perhaps it is the very one that you have seated before you this morning in terms of this particular management team and just the way we are.

Clearly, the standard form of Federal Government is not well suited to making things happen in a crisis, at least not a crisis like this—perhaps a war, but that is a different story. But not this.

For example, there are three areas where we really need to solve problems before we can ever fix the situation here. When I say that the Federal Government is not well suited, this is specifically what I mean.

How do we get the flexibility to put the right people in the right jobs in the Forest Service?

PERSONNEL FLEXIBILITY

Senator GORTON. That was my next question. Does the Forest Service have the ability to get the right people in the right jobs?

Mr. PANDOLFI. Well, it is difficult and that is for sure. I mean, I have been here for 15 months with Mike Dombeck and I am still Special Assistant to the Chief because there are lots of reasons why it is difficult to give me any other title. I mean, I have written my essays to become part of the Senior Executive Service. I do not know what grade I got, but I believe I passed.

There are massive limitations on hiring, firing, and incentivizing people. I do not mean to just dwell on the negative of firing, either. There are just massive limitations. As a result, we have very little flexibility.

DECISIONMAKING

Second, it is extremely different—extremely different—to make tough decisions quickly and get the pain over with.

I do not deny that the Government, and I expected that, the Government is far different from the private sector in terms of how the decisions are made. But the debate goes on and on and on, and it is very difficult, because there are so many constituencies for us to satisfy, for us to make a decision.

PULLING PUNCHES

I think with regard to having multiple constituencies, the third thing I would say is that it seems so necessary all the time to pull our punches and not say how we really feel about something because there is going to be some constituency or other who is going to be insulted by it. Then they are going to write us a letter with 75 or 80 questions in it that is going to take 3 weeks of staff time to fill out. And so we are stopped again.

So I would say the issue of flexibility, moving quickly, and having to pull punches are things that are very, very difficult to overcome.

I heard Senator Craig say something that I thought was encouraging. He said—I think he said—that the Congress should try to structure a budget to solve the problem. I do think that is doable. And with the proper protection or the ability to act quickly, if we could get the ability to act quickly, if we could get the confidence of this august body to support us and then leave us alone for a while—a totally, I realize, impractical suggestion, perhaps—we could show significant progress in a short time.

Senator GORTON. Well, could you and the people for whom you work write proposed conditions for a budget, leaving aside the amount of money that we may have, that would lend encouragement to this process that could help speed it up?

Mr. PANDOLFI. I think so, Senator, and I think that we could make some suggestions to you at a later time as to ways to do that.

Senator GORTON. Well, let's not make that too much later a time.

Chief DOMBECK. I would just like to reaffirm and support Francis and say we would love to. I think it is very important that we get beyond some of the debate and work together on these issues. We welcome that suggestion.

Senator GORTON. We have philosophical debates about what you ought to be doing and you are not going to persuade us on those, necessarily, nor are you. But to be able to use the money that you have within the laws that you have in a way that is more efficient and more effective is a cause that ought to unite us. It is a cause that we ought to get your kind of suggestions about.

I, for one, who is going to have the primary responsibility for writing this budget, know that if I have intelligent administrative suggestions that can be adopted as a part of the budget, I am certainly going to do it.

Mr. LYONS. Mr. Chairman, I think, if we can set aside the philosophical debates over the resource issues, the resource agenda issues, and focus in on those management and business practice concerns, we can reach amazing agreement on what is needed. We

certainly would like to work to provide some guidance as to how we might get there.

Senator GORTON. OK. You talked about how difficult it is to get decisions made and implemented. We don't have a whole, long time before we have to come up with something.

Mr. LYONS. I understand.

Senator GORTON. We will need those suggestions.

COOPERS & LYBRAND REPORT

Mr. Pandolfi, how about Coopers & Lybrand? Has that done any good?

Mr. PANDOLFI. Yes, Senator.

I think it is very helpful. The Coopers and Lybrand report—let me clarify what it was intended for because I think some people may have greater expectations of it than are warranted: We requested the report in the Forest Service and we did it last August. We requested it last August. It has just been completed. Its purpose was to help us determine how to simplify our operations.

As the Chief said earlier, and as I indicated when I spoke of the number of financial transactions that occur, we have raised complexity to an art form in the agency and it has to be reduced or we will not get further.

I think the report will help us to improve both accountability and efficiency. But there will be no accountability without good information.

If you want, I would be happy to go into more detail about what the report proposes or we can do it at a later time, whatever you prefer.

Senator GORTON. Well, I think we can do that at a later time. I just simply want to know whether or not we are going to get any good out of it on the ground.

Mr. PANDOLFI. Yes.

Senator GORTON. Will it result in internal changes for the better or in the kind of suggestions we have just talked about to come to this committee for the budget?

Mr. PANDOLFI. There were 31 specific recommendations in the report and we will begin to implement some of those recommendations as early as next week.

OVERHEAD COSTS

Senator GORTON. Now a part of all of this is the fact that, while income is going down in the Forest Service from those of its activities that are productive of revenue, overhead continues to go up. I would like to ask the general question both of the chief and of you: Why is it that overhead costs keep going up while overall fund expenditures are decreased?

Chief DOMBECK. One of the things that agencies have a very difficult time doing is taking things off their plate. When new legislation is passed, we do more things and there is great difficulty in saying, "OK, we are going to stop doing this because there is a constituency that demands this."

So we spend a lot of time on those kinds of issues. One of the things that I believe better business systems will allow us to do is to prioritize what is most important.

I understand that there is a lot more to this than just calculating the return on investment of a project because there are other values involved in this kind of thing. But it will simplify what we do greatly and, I believe, free up staff time, reduce the complexities. As I mentioned in my opening statement and as Francis concurred with it, we, in a sense, are drowning in complexity.

Mr. LYONS. There is another reason, Senator, and that is we solve problems by process. Rather than making decisions and moving forward, we engage in new processes, new studies, new requirements. All of us here are guilty of this. That adds to cost and does not get us to any reasonable outcome any sooner. In fact, it complicates things even more.

So there are lots of ways to streamline and reduce overhead and probably get to the same end in a more efficient way. These are the kinds of things we need to explore with new business practices.

CHIEF'S REVIEWS

Chief DOMBECK. We have done the Chief's Reviews in three regions, one research station, and two Washington Office Deputy Areas.

I do not know if you were here when I mentioned doing the Chief's Reviews, Senator Craig—I think you probably were—but the objective is not the typical review that most people expect, that you are going to come out and look at our books or you are going to look at our decisionmaking process, and you are going to tell us what we did right or what we did wrong.

The objective of the review is really to see what is on the minds of the employees because there is tremendous talent out there. It is also then to begin to look ahead of the headlights and ask ourselves the question what could we have done 10 years ago to avoid this protracted problem.

One of the things we discovered—in fact, it was in a meeting with your staff, Clyde—was we find that we run into a problem and we build a process around it. Then there is another problem looming right there, right in front of you today, and we built a process around it to solve it.

The organizational energy, right to the level of the Chief, goes to dealing with the immediate-urgent. If you are in the right quadrant, that is No. 1.

We are spending very, very little time in quadrant two. That is something I am trying to do to further empower the Associate Deputy Chief level, the staff director level, to make sure that they are engaged much more aggressively to allow the Deputy Chief level, the Regional Foresters, to work with constituencies, with Congress, to focus on problems before they are right on a plate or before we are in court.

Senator GORTON. One of the greatest shortcomings any organization can have—and it seems to be endemic to Government—is to have very good and very talented people who are not able to use those talents in the way that they ought to. It not only frustrates the organization, it frustrates the individuals, and you are likely to lose them.

OVERHEAD COSTS

Do you have any comment on these questions, on the overhead questions, Mr. Pandolfi?

Mr. PANDOLFI. Yes, Senator. I would like to just speak for a moment on that but take it from a different angle.

I do not think there is any way to know today what level of overhead is actually appropriate or inappropriate for the Forest Service. The reason I wanted to say that is because I believe the single most important thing that this agency could do in the short term, the intermediate term, whatever amount of time it is going to take, is to develop good information systems. We do not have good information systems. We cannot answer your questions well and accurately all the time. We can in some cases, but in others we cannot.

FINANCIAL FRICTION

I want to put it in perspective. I want to put the value of having a good information system in perspective with respect to the overhead question. It is very simple to do. Simple financial friction in an information-free business results in untold inefficiencies. A mere 5-percent inefficiency factor in a $2.2 billion—and I think we are a little higher than that, $2.5 billion, actually, but I did my calculations on $2.2 billion, so I will stick with that—a mere 5-percent amount of financial friction in a $2.2 billion organization results in waste that could be as much as $100 million a year.

PERSONNEL REDUCTIONS

Now, we have reduced the number of people in human resources, fiscal, budget, and information management from 1993 to 1998 by 1,243 people. So here we are. Maybe if we had a couple of those people back—I know, I understand the problem of hiring people, for example, in the private sector and not selling the product. It is not generally looked upon with a lot of favor. But we have gone too far in reducing some of these administrative overhead positions and we do not necessarily have people properly trained, as the Chief said at the beginning of his remarks, to do the work.

I will tell you, Senator, for a few million dollars in overhead, if we could reduce that financial friction, the return on investment and the payback period would be just startling. And most any private sector individual would be delighted to make an investment in this organization.

So I do not know the answer, whether it is too much or too little. But the fact is, if we could just get good information systems, we would be so much better off.

Now we are working on that, but it is tough.

INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PROJECT

Senator GORTON. OK. Now I do want to go on to a subject in which we have an obvious philosophical difference, Mr. Lyons, and that is the Interior Columbia basin ecosystem study.

I don't know of any subject of this sort in the last 8 or 10 years which has created more hostility on the part of my constituents. I have an advisory committee in every county in the State of Washington. I met with half a dozen of them in the last 2 weeks in east-

ern Washington. Among all of the rural people, it was the No. 1 item for discussion. And these are fairly broadly based groups, from business, local government, teachers, and the like.

Yesterday I had in my office a State senator whom I greatly admire on that subject. Universally they feel that the money is being wasted, that neither local governments nor ranchers, citizens, are being considered, are having their concerns listened to. They feel it is one planning process piled on top of another.

I must say that if I were to follow the desires of my constituents, what they want me to do is to just end it. They want it to stop. They see nothing of value to them coming from it.

I am intensely frustrated. I have tended to buy your views that not to go ahead is worse than going ahead. But it sure is the very devil of a choice, even if that is true.

APPREHENSION OF ICBEMP

I guess I have to ask you this. When is it going to come to an end? What are its results going to be? Why do you seem to have such an inability to listen to the concerns of the people whose lives are going to be affected by it? And how can you deal with the overwhelming apprehensions I get everywhere that what you really want to do is run everyone's life and everyone's private property as well as to manage the federally owned property in the area?

Senator CRAIG. Mr. Chairman, could I add to that? I have been home, too.

I have been to town meetings, gatherings, county commissioners meetings, talked with school people—everything—and I get the same kind of response.

My questions are identical. Also, if you want to know where $40 million of your money went, that is where it went, and you have nothing to show for it yet except some studies and a high level of frustration.

COUNTY COMMISSIONERS

What has happened also that has created the frustration that the Senators and the chairman is speaking to is the folks who could have been your political liaison you have decoupled. The county commissioners are walking away now because they feel that after months, if not years, of involvement with you in this, you didn't listen in the end. They feel that somebody else out of the region won and they lost in their effort to participate. You decoupled the very team, the county commissioners involved, that could have come home to sell this idea to the constituency.

They are now the enemy.

Senator GORTON. I am told that 60 percent of the county governments now want it terminated.

Senator CRAIG. That's right.

Senator GORTON. It is likely when those who are collecting those petitions have them all in, it will be up to 80 percent.

OK, give me your comments.

Mr. LYONS. Senator, I agree with you that it would be great to get this over, to complete the environmental impact studies underway, and to have a new basis upon which to manage the public lands in that region. It is a sizable portion of the public lands in

the Nation and obviously has a significant impact on the communities there as well as the Nation's resources as a whole.

CONGRESSIONAL ICBEMP DIRECTIVE

I would agree with you that this has gone on long enough. To reiterate a comment I made earlier, though, we are all contributing to this. For example, last year, this committee asked us to do another study which extended the period of time that was necessary for us to complete this by another 6 months. We completed that study and have since issued it. It is a directive to look more closely at how rural communities were going to be affected and the economic impacts.

So that, as well as other things we have done, have contributed to additional delays.

REACTION TO ICBEMP

I am concerned about the belief in the counties that they have been decoupled, to use Senator Craig's words, from the process. That certainly was never the intent. But I think, as this has gone on and as other things have come into play, there is a growing sense that this is a Federal Government-imposed solution on local resource concerns.

Two things are going on. One is clearly there is fear of some of the changes that are coming about in the region and these all come to a head when you look at the pressures that are brought to bear on Federal lands. Also, change is not welcome by anyone and we would all be better off if we did not have to deal with that.

The reason—and this is the argument I have articulated before—we need to complete this is so that we have a good, solid base of information, good science, to guide professional judgment so that, when we are challenged on management decisions, those challenges can be fought back and we can sustain our course.

But the other concern clearly is, as this has gone on, as other decisions have been made, people have felt disenfranchised and not a part of the process.

Our managers continue to make every effort to incorporate counties in the decisionmaking process, to involve them in helping determine what the final alternative will be, an issue that is not yet decided.

All we can do is attempt continually to engage the communities in that decisionmaking process, help them understand the value of this process—and hopefully the value of the product that is going to be generated by it—and reach some conclusion. Right now I think the uncertainty, associated with the process that seems to go on and on, is killing the process and clearly destroying any faith the communities have in those agencies to get something done.

So I agree with you. We need to get it done. Please do not ask us for any more studies. Let us finish the process and let us move forward. Then we will see.

ENVIRONMENTAL IMPACT STATEMENT FOR ICBEMP

Senator GORTON. Will you have an EIS by early next year?

Mr. LYONS. Maybe Mike can address the specific timetable. We have had to roll it back a little bit because of the additional research work that we had to do.

Chief DOMBECK. Where we are now, I believe, is the comment period. That closes May 6. Then we are talking about spring 1999 to have the record of decision signed.

Senator GORTON. Spring.

Will a final record of decision prevent further endangered species listings?

Chief DOMBECK. We certainly hope so. The intent is to try to move ahead of the power curve on something that we have been playing catch-up on for a long time.

PRIVATE PROPERTY IMPACT OF ICBEMP

Senator GORTON. What do you expect the impact of the plan to be on private property?

Chief DOMBECK. We have no jurisdiction on private property nor are we seeking any. We hope in many of the situations that the issues that we can deal with regard to the Endangered Species Act and things like that on Federal lands alleviate some of the stress in other areas.

One of the concepts that has been evolving for some time through the various processes is the working together on a watershed scale, on an ecosystem scale—call it what you will—so that the management activities become more compatible. This is because good land management is good land management. It does not matter who is the steward.

Senator GORTON. I want to go back to Secretary Lyons' statement about participation.

PUBLIC PARTICIPATION IN ICBEMP

It is one thing to solicit comment. It is another to create a feeling in the people from whom that comment is solicited that their comments mean anything and will have any impact, any impression, on a final decision.

That, it seems to me, is where there has been a failing without, at this point, attempting to assign blame but trying to get to the future.

One of the most important questions I have is this—and I don't even want you to answer it here in an unequivocal fashion, but I want the answer to it and I want a way we can do this that I think would solve many of your problems. It relates to the last question that I asked about private property.

I want to know whether or not we can come up with some language that will be acceptable to you, and not get one of these big veto threat kinds of things, with respect to the impact of the plan on private property. If we can assure our constituents out there that your plan is not going to adversely impact their own use of their own land, I think that we will have solved if not 100 percent of the kinds of objections that we have, then a very significant share of them.

Mr. LYONS. I will work with you, Mr. Chairman and Senator Craig, on that issue because I believe we should be able to address that.

Senator GORTON. OK.

Now I am way over my own time. Senator Craig may have some more questions and I am going to let him close the hearing.

PLUM CREEK LAND EXCHANGE

I have just one purely parochial question about the Plum Creek land exchange. It has been very much in the news at home recently.

Personally, I think you have done a wonderful job on it. I think it is a great bargain for the Federal Government to get more land than it is giving up and to have it blocked up on both sides. But we already do have some of the environmental organizations threatening lawsuits over it and we have Plum Creek saying the end of the year is it and if we cannot get this accomplished soon, we are out of here.

I don't know whether or not that is entirely true. But I would query: In this bill, should we legislate the land exchange that you have agreed to?

Mr. LYONS. Senator, I do not think we want to enter into the prospect of legislating an action that bypasses due process and the rights of individuals to challenge it.

Senator GORTON. But this process has been due for a whole long time.

Mr. LYONS. I understand that, Senator. But the only thing you are left with then is to say "notwithstanding any other provision of law," that infamous statement that all of us look for in legislation and that sends off skyrockets.

I think this has been an excellent effort on the part of Plum Creek and I appreciate Rick Holley and all his staff's efforts to work very professionally and efficiently with Forest Service staff to put this together. I would like to expedite this process. But I do not want to do it in a way that is going to create more legal problems.

But I will work with you to find ways to get this done as quickly as possible.

Senator GORTON. All right. That is fine. In a sense, it is like the earlier question.

I believe it is time to have it come to an end. I think the deadline that Plum Creek has set is a reasonable one. Figure out a way with us to make it happen.

Mr. LYONS. We will work with you on that.

Chief DOMBECK. Senator Gorton, I had breakfast at Salish last Wednesday with some of the industry representatives and the conservation community, as well as Jim Ellis, who speaks very highly of you. We covered a variety of issues, including this one. I offered to help facilitate, and, of course, we have a wonderful Forest Supervisor there in Denny Bschor to help facilitate in any way so that we can move this forward.

Senator GORTON. This is one area in which I don't have any criticism of you all and what you are doing. I want to make it happen, in fact, so that we get it done.

That is what we are here to do.

Senator Craig, you are back. That means you have more interest. I have a whole series of other subjects that I wanted to cover as well, but we are just simply going to have to do those in writing.

I will turn the hearing over to you and you can ask as many questions as you would like and then adjourn the hearing.

Senator CRAIG [presiding]. Thank you, Mr. Chairman. I will be brief. Everyone at the table has been courteous with their time and I have just a couple of subjects, both very brief. I thank you for your indulgence.

THOMPSON CREEK MINE

Chief, I am sending you a letter concerning a delay in completing a supplemental environmental impact statement on the Thompson Creek mine in Idaho. It has been ongoing now almost, I don't know how many years, with the promise again that it will soon be done.

I am very concerned that there have been agreements entered into between environmental interests and the Department of Justice that have delayed the implementation of the technologies that would benefit the environment.

The problem is some folks just flat don't want it mined. But these people have a right to mine it, and they are willing to use absolutely state-of-the-art technologies to get it done. And, in fact, it will improve the environment or lower the environmental risk.

So I sent you a letter and would ask for as timely a response as possible on that. I think it is critical. We are all frustrated out there. But when the game gets played for years though it should have taken months, the level of frustration is exaggerated and for the right reasons.

Secretary Lyons suggested that much of what we are pursuing is an extension, much of what you are pursuing is an extension of what Jack Thomas had for ideas, and I would mention the chief prior to Jack Thomas. I guess I am pursuing this because I am frustrated over what I am trying to do and what you and certain the administration in part resist at times.

CONSERVATION PHILOSOPHY

Would you say your philosophy of conservation is similar to Jack Thomas' or your general view of where you are with the Forest Service is similar?

Chief DOMBECK. I believe it is.

Senator CRAIG. The reason I say that is, while Jim has sat there for the last several years and said problems exist, there has been no willingness to work with us on solutions. We always meet, but boy, when I put out an idea, down goes the hammer. The environmentalists' lights go on and I know where the information is fed from. It is very frustrating—very frustrating.

This willingness to work together, at some point I lose my voice over it because there is nothing forthcoming. You guys are now embroiled in crisis. You have experts in here trying to manage, taking an agency that has been politicized and trying to fix it. It is difficult. I do not dispute that. You are in a very difficult situation. We all are.

I have constituencies all over my back on both sides of this issue. We ought to have some resolution to it.

Let me read to you a quote from a March 25 hearing held out in Coeur d'Alene that Jack Thomas was a witness at and gave, I

thought, some very valuable testimony. I think he was speaking with a bit more candidness after he had left the office of the Chief.

I am not even going to ask you to respond to it unless you wish to. But I think it is important for the record.

Somehow, after people in your position leave, they gather great wisdom and they can talk about marvelous things that ought to be done that they were either not able to do or not allowed to do while they were chief. And yes, you have been warned by Jim to be careful. I am not witch hunting here today at all. I am very frustrated that we are living over an agency that is very dysfunctional at this time with very talented people sitting out there on the ground, spinning their tires, and not being able to get things done for the Forest Service, for the forests, for the environment, or for the citizens they are asked to serve.

FORMER CHIEF'S QUOTE

These are Jack Thomas' words. "In my opinion, the position that there are no problems with the legislation"—he is talking about my legislation and also other legislation and laws—"that govern management of the public lands and that whatever problems there are can be solved through better administration is incorrect.

"There are problems," he says, serious problems. The land management agencies need clear guidance and a clear mission. The NFMA and other legislation assumes, I believe, that a well qualified and relatively autonomous agency would carry out consistent programs and make adjustments in regulations issued pursuant to law frequently in keeping with the principles of adaptive management. Those assumptions no longer hold.

"For example, the planning regulations issued pursuant to NFMA have been through two revisions and have been under development for nearly 7 to 8 years. The first time they were ready for release, they were delayed by the Bush administration until after the 1992 election." I expect that was a political decision.

"The regulations were then revised and were ready for release a year before the 1996 Presidential elections. These regulations have not yet been released." That was March of last year. "And when they are, they will likely be significantly altered from present form to mollify any group or another. In short, the assumption concerning how such regulations are promulgated no longer holds, and getting anything done in terms of producing more workable regulations based on experience is slow, very, very slow, at best."

I thought that was a pretty profound statement because I think it is not only a statement reflective of the experience of a chief who was in the trenches like you are now, but I think it also speaks to the fact that you will spend the next year and a half or so, or 2, trying to regulate your way out of a problem that we are all in.

I wish you luck. Once again, I extend my willingness to help.

I have no crystal ball. My guess is you can't get it done because I think you are structurally flawed. And I don't think this administration will allow you to make those changes because they are politically unpalatable with some of the interests involved. And that is too bad because, if we could deal with it in a bipartisan way, it could be resolved.

You saw the company front here today and very few from the other side. That will not produce good policy. It will only produce conflict. And in the end, the forests and the Forest Service will be the loser. That is my concern.

If you wish to speak to that, you may. If not, I understand.

So thank you all very, very much for coming.

Are there further comments? Yes, Jim.

WORKING TOGETHER

Mr. LYONS. Senator, I just want to make this point and this pledge. I think if you and I and the members of this committee can agree to try to work to make Mike a successful Chief—and I would concur that Jack Thomas was an extraordinary leader for his time and I was very pleased to have him despite some of the protestations and concerns that were raised early on by members of this committee, including yourself, about his skills and his capacity to be Chief—if we agree to work together, it would help Mike become a successful Chief; allow him to make; the decisions he needs to make, make the personnel changes he needs to make; and allow the organization to come forward and support him. Then I think the goals we share will be realized.

So I make that commitment to you. The administration would like to see Mike Dombeck be the most successful Chief in the history of the Forest Service and I hope you share that goal as well.

Senator CRAIG. Jim, of course I do.

Let me close by saying there were no conflicts ever between Jack Thomas and myself. We had some disagreements. My only problem was the way he came to be and that is a problem that exists today.

This administration chose to make the chief a political appointment. You are the one that should be charged with the politics. But the chief should have a buffer to be an administrator of policy and a critic of politics when necessary. I believe this administration has denied both of their chiefs that opportunity and that is too bad because the history of the Forest Service would argue that that is necessary. It is necessary in any good management.

Politicians, you and I, come and go. But good policy ought to hang on for a long time, until the politicians decide to change the policy. That is not the character of the situation we are involved in today.

The thing that is important, though, is that yes, there was early criticism of me by Jack Thomas. It was translated to be a criticism of him. It was a criticism of the way he came to be.

He and I, as you know, developed an excellent, although sometimes tenuous, working relationship. But it was a good one.

ADDITIONAL COMMITTEE QUESTIONS

Senator GORTON. Thank you very much. They 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:]

ADDITIONAL COMMITTEE QUESTIONS

LANDOWNERSHIP MANAGEMENT

Question 1. Please provide for the record the status of the FS evaluation of the Wyoming-Cloverdale Power Transmission line, proposed by American Electric Power Company.

Answer. In 1991 American Electric Power (AEP) proposed the construction of 115 miles of 765kv transmission line across private and federal lands in Virginia and West Virginia. One hundred and three miles of the proposed transmission line were proposed to cross private lands and approximately 12 miles to cross lands under federal jurisdiction.

The Virginia State Corporation Commission (VSCC) initiated hearings on the AEP proposal and, in December of 1995, directed AEP to explore other routing options to mitigate a number of sensitive locations crossed by their proposal. In West Virginia no acceptable application was ever submitted for consideration.

In June of 1996 the George Washington and Jefferson National Forests published a Draft Environmental Impact Statement (DEIS) for the federal land component of the AEP proposal. Based on the DEIS, the FS identified "No Action" as the agency preferred alternative. Under the No Action Alternative AEP would not be authorized to cross federally administered lands with their proposed line.

On September 30, 1997, AEP filed new applications (new route) for the 765kv transmission line with the VSCC and the West Virginia Public Service Commission. AEP has not changed or withdrawn the application they submitted to the FS in 1991. The corridor identified in AEP's 1997 applications to the States does not coincide with the federal land corridor proposed by AEP in the 1991 application to the FS, however, the new corridor does coincide with one of the federal land alternatives considered by the federal agencies in their DEIS.

The two State Commissions have the responsibility and authority to make a number of key decisions regarding the AEP proposal. The Commissions will decide whether the power is needed, whether the proposed transmission line is the best method to meet the anticipated need, whether or where the corridor will be located on private lands, and whether the purported benefits which result from the transmission line offset the adverse environmental and social effects.

The federal agencies are awaiting the conclusion of the State certification processes before completing their analysis and making their decisions for the federal land components of the AEP proposal.

Question 2. When are final decisions expected from the Sate of West Virginia and Virginia on proposed routes?

Answer. AEP filed new applications with the West Virginia Public Service Commission and the VSCC on September 30, 1997. In this case, the West Virginia Commission is operating under a 400-day timeline. Accordingly, one would expect a decision from West Virginia in November of 1998. The Virginia Commission does not operate under a prescribed timeline so it is not possible to accurately predict the length of their evaluation process. Virginia has scheduled the last of its hearings for the AEP case in July of 1998.

Question 3. Within what time-frame will the Agency be able to issue a final Record of Decision once State action is taken on proposed routes?

Answer. It is exceedingly difficult to accurately predict a timeline for the completion of an analysis when the scope of the analysis is subject to change.

The FS is required to evaluate the proposal that is presented to them. Should the Commission approve a route across private lands, and a federal land crossing is necessitated by the States' decisions, the federal agencies would then involve those persons who may be newly affected by the federal decisions along that corridor. This new input would be used by the federal agency to identify new analysis related tasks or to develop new alternatives that would need to be considered by the federal agencies before a decision could be made on AEP's requested use of federal lands.

Assuming that services of an environmental consulting firm are available to the FS, an analysis of this nature and complexity could be completed within 2-years of the date the next phase of the analysis is initiated.

Question 4. Should the role of conducting environmental assessment for power lines be transferred to the Federal Energy Regulatory Commission (FERC) or the Department of Energy (DOE) from the Forest Service (FS)?

Answer. No. FERC and DOE are regulatory agencies whereas the FS is the land management agency.

Question 5. Please explain the process which resulted in American Electric Power (AEP) contributing to the cost of environmental assessment and analysis. Specifically, how much has the company paid the FS for environmental assessment work?

Answer. In 1991 AEP (then, American Power Company) approached the FS with a proposal to cross approximately 12 miles of the National Forest with a 765kv transmission line. The FS recognized that the analysis of such a complex federal land use proposal could not be accomplished without seriously compromising its ability to conduct and complete its planned program of work. In an effort to respond to AEP's assertions regarding the immediate need to begin the analysis of its proposal, a couple of options were developed. AEP was advised that the use of an environmental consulting firm would likely expedite the processing and evaluation of its application. Additionally, AEP was offered the option of entering into a collection agreement with the Agency. Through this agreement AEP would fund the activities of FS resource specialists when they were engaged in analysis work related to the 765kv transmission line proposal. Through this agreement the FS was able to devote personnel, including a project coordinator, to the processing of the transmission line proposal without having to await funding through the normal 2-year budget appropriation cycle.

To date AEP has reimbursed the FS for approximately $750,000 in salary and analysis related expenses. AEP did opt to hire a consulting firm to assist the FS in analysis of its transmission line proposal. The total costs for those services now approximates $5.36 million.

Question 6. How does this amount compare to original estimates?

Answer. The original cost estimate of the consulting firm that successfully competed for the contract was $689,865. However, this estimate was submitted before the federal agencies defined the scope of the analysis. This is a highly controversial private and federal land use proposal. As the public involvement process prescribed by the National Environmental Policy Act was pursued, more people became involved and there were more issues, more resources and more miles of alternatives to consider. Additionally, the federal agency's analysis grew from a federal land focus, as originally envisioned, to include the private lands as well. Hence, the consulting firms competing for the contract submitted cost estimates for a project whose final scope was unknown. AEP's proposal involved 103 miles of private lands and approximately 12 miles of federal land.

Question 7. What specific products have been generated from the company's payments?

Answer. In conformance to the requirements of the National Environmental Policy Act, the FS published a DEIS which considers 14 alternatives in detail; twelve of the alternatives cross the NF, one avoids the NF, and a "No Action Alternative". The FS study considered the resources located on both federal and private lands along the 115 miles of the proposed route in the States of Virginia and West Virginia.

The information contained in the Draft EIS provides AEP, the public, agencies and the Commissions with important resource and environmental effects information regarding the federal lands managed by the FS, National Park Service and the US Army Corps of Engineers. In fact, the Virginia Commission requested the type of information found in the DEIS when they initiated their evaluation of the AEP proposal in 1992. The West Virginia Commission advised AEP that they could not process their application until they had an opportunity to review the DEIS.

Since the President's Forest Plan was adopted in April 1994, small, run of the river hydroelectric projects proposed to be located on Mt. Baker-Snoqualmie National Forest land have been paralyzed by the failure of the U.S. Forest Service to make a determination of consistency with the plan. Developers have spent millions of dollars, mostly on environmental studies, to meet the Service requirements, and have permit or license applications pending before FERC. Some projects have been declared consistent with prior plans and obtained Clean Water Act Section 401 approvals from the State of Washington. Yet the Forest Service does not offer clear guidance on compliance with Option 9, nor has it made any determinations on individual projects. Designed for forest management, it is clear that Option 9 is being used to stop small hydro development on federal multipurpose lands, leaving developers who relied on the Forest Service to administer the plan fairly and on a timely basis with significant stranded investment. The Senate Appropriations Committee in its July 18, 1995 report on Forest Service funding stated that it expected the Forest Service to conduct an expeditious review of small hydro projects waiting for approval by the Forest Service. It appears not one of these hydro determinations has been completed.

Question 8. What is preventing the Forest Service from performing its public responsibilities by acting on small hydro projects on the Mount Baker—Snoqualmie National Forest (MBSNF)?

Question 9. By what exact date will the Forest Service make a final determination on small hydro project consistency with the President's Forest Plan?

Answer 8 and 9. As background, small hydro projects on the Mount Baker—Snoqualime National Forest with license applications pending with the Federal Energy Regulatory Commission (FERC) include: the Martin Creek project; 5 projects within the North Fork Nooksack River basin; and 4 projects within the Skagit River basin. Under the Federal Power Act (FPA) FERC has the statutory responsibility for determining a project's consistency but it traditionally relies on the recommendations of the Forest Service with respect to individual forest plans. Those recommendations made by the Forest Service are not made final until the completion of the environmental analysis.

In November 1994, in response to FERC's notice that the project application had been accepted for filing, the Forest Service made an interim recommendation that the Martin Creek's Project was inconsistent with the President's Forest Plan. Subsequently, the FERC requested that the applicant provide additional information to and consult with the Forest Service. On May 10, 1996, the Forest Service provided further interpretation of Forest Plan direction related to hydroelectric development and on August 5, 1966, completed the re-evaluation of the Martin Creek project. This re-evaluation provided specific information relative to resource impacts and mitigation considerations, but concluded that due to the severity of the resource impacts and the difficulty of developing effective mitigation measures would probably prevent the Forest Service from issuing a recommendation of consistency. No further action from the Forest Service has been requested by the applicant or the FERC on this specific project, and it is our understanding that the project is not yet considered by the FERC to be ready for environmental analysis.

In February 1995, in response to the FERC's Draft EIS for the North Fork Nooksack River basin projects, the Forest Service provided interim recommendations and identified specific resource impacts and Forest Plan requirements not met by four of the five proposed projects. In September 1997 the Final EIS was issued by the FERC. On October 21, 1997, the Forest Service issued a recommendation to FERC of Forest Plan inconsistency for the same 4 projects, and concurred with the FEIS recommendation for license denial based on adverse resource impacts outweighing developmental benefits. On December 19, 1997, the Forest Service made a final recommendation of Forest Plan consistency for the remaining Nooksack River project and provided conditions necessary for the adequate protection and utilization of forest resources. (Note: the appeal period for this Decision Notice ended March 12, 1998, and the MBSNF is unaware of any appeals filed.)

In 1995 the Forest Service made recommendations to the FERC of Forest Plan inconsistency for the 4 Skagit River projects citing resource impacts and Forest Plan requirements not met. Final recommendations will be made in response to the FERC Final EIS, which is anticipated for release sometime this year.

No additional proposals or project modifications have been presented to the MBSNF requiring further consistency recommendations.

Question 10. Does the Forest Service recommend that small hydro projects be removed from the President's Forest Plan in light of the fact that (1) Option 9 was designed for large-scale forest management, not small hydro; (2) the Forest Service is not acting on hydro matters; (3) the FERC has jurisdiction to declare consistency with National Forest use; and (4) Option 9 and the Federal Power Act cover much of the same subject matter?

Answer. The President's Forest Plan was designed in response to many issues related to the management of habitats for late-successional and old-growth related species. It specifically addresses concerns about locally important late-successional habitats and species and provides direction to protect such species. Another important component of the Plan is the aquatic conservation strategy that was developed to restore and maintain the ecological health of watersheds and aquatic ecosystems. The Forest Service also developed, in cooperation with other federal agencies, riparian reserve standards and guidelines and has issued direction, relative to the Plan, that seeks to restore and conserve these valuable resources. Impacts on Salmon would be considered as well.

The Forest Service has developed a National Hydropower Initiative which seeks to facilitate the relicensing of the many projects, located on lands administered by the National Forests, which will come up for relicensing in the next ten years. The agency has committed significant increases in both personnel and finances to respond to this workload. The Forest Service is committed to providing timely and responsible input to this complex relicensing effort.

Although the FPA clearly established that the FERC has statutory responsibility for determining if a project is consistent with a comprehensive management plan (e.g., Forest Plan), the FERC has traditionally relied on the Forest Service to provide to FERC their recommendations of consistency relative to individual forest plans. The local National Forest possess the resource expertise at the regional level

to determine the effects of a specific hydropower project on these resources and bring the project into compliance with the respective Forest Plan. The FPA establishes the responsibility of the Secretary of Agriculture to determine conditions "necessary for the adequate protection and utilization" of the National Forests. The Forest Service provides its recommendation of consistency when it transmits those mandatory 4(e) license conditions to FERC.

Question 11. If the Forest Service does not recommend that small hydro projects be removed from Option 9, what changes in the Plan should be made to expedite approval of such projects in a manner that does not penalize hydro developers?

Answer. There is no need to amend the President's Forest Plan to expedite the evaluation of hydroelectric projects. Projects pending decision in 1994 (both non-federal and Forest Service initiated projects) initially faced some delay in project evaluation and final approval while the federal agencies affected by the development of the President's Forest Plan gained a better understanding of, and ability to apply, the direction of the Plan. As the agencies gained experience in the interpretation and application of the Plan, the time necessary to resolve complex resource issues has decreased.

Question 12. Does the Agency intend to ease the burdens on projects whose license applications were pending on the date the Record of Decision was put in place and how would you accomplish this?

Answer. Pending projects that lacked completed analysis and final decisions are subject to the requirements of the President's Forest Plan. At the time the Plan was adopted in April 1994, there were no small hydroelectric projects with pending applications on the MBSNF that had completed the FERC environmental analysis. The Forest Service has, and will continue to actively consult with project applicants and the FERC to identify specific Forest Plan consistency requirements and conditions necessary for the utilization and protection of forest resources.

FOREST SERVICE OVERHEAD

Earlier GAO was asked to conduct an investigation into reports that the amount of expenditures for overhead and other indirect costs at the Forest Service has increased dramatically in recent years. The GAO has provided us initial information concerning agency trust funds. Based on Forest Service definitions and financial data, there has been a dramatic increase in virtually every region. While GAO is continuing the study, these initial findings clearly require explanation. It is difficult to believe that these numbers do not represent a large decline in agency efficiency. It could also explain why the once profitable timber sale program is no longer bringing a positive return. For example, GAO has found that overhead in permanent trust funds was 29 percent in fiscal year 1997, which is 80 percent higher than it was in fiscal year 1993.

Question 13. In view of the agency's apparent inability to accomplish on-the-ground results, how much of the problem is attributable to funding what appears to be bloated overhead?

Answer. Incomplete analysis of the FS financial records could lead one to the conclusion that "overhead and other indirect costs" are bloated in the trust funds; however, we do not believe this to be the case. First, we need to be clear on our terminology. The GAO report referred to does not report on overhead costs. The GAO report analyzes what the Forest Service has defined as indirect costs. While some of these can be considered overhead (rent, utilities) not all of them are usually thought of as overhead (computer support, line supervision). Secondly, it is inappropriate to compare fiscal year 1993 to fiscal year 1997 because a change of the FS coding structure for program support and common services for program managers occurred in fiscal year 1994 and again in fiscal year 1995. Many costs, in fiscal year 1994 and later, in these activities had no comparable work activity codes in fiscal year 1993 business. Readers of the GAO report will note this definition change reported in the "limitations with data" section of the report. This change in definition, or classification of costs, accounts for more than 100 percent of the "apparent" increase in indirect costs from fiscal year 1993 to fiscal year 1997. In fact, if the costs included in the total with indirect costs as a result of this definition or classification change are excluded, the costs for this category has actually decreased by 16 percent since fiscal year 1993.

The terms "overhead" and "indirect" have been used interchangeably, and sometimes, incorrectly, as synonyms for general administration (a subset of indirect/overhead costs). This further complicates reporting of these costs. We currently do have agency-wide definitions for "indirect" costs; hence, coding and the resulting cost information is only available for portions of what some might define as "overhead" (e.g. common services such as rent, utility, communications are clearly defined and

these costs are available.) Admittedly, much confusion was created with the change in definition and classification of activity costs in fiscal year 1994 and fiscal year 1995. Consequently we are analyzing and reviewing our entire cost accounting code definitions and structure with the intent to clarify and have revisions in place in time for use in fiscal year 2000.

Question 14. What plans does the agency have to reduce overhead expenditures in the future?

Answer. We are actively looking at reducing all costs, not just overhead codes. All work should be performed in the most efficient manner. We have combined a number of units, both administrative overhead units and entire offices, eliminated some offices and moved some to cheaper quarters over the years to lower fixed overhead costs. In addition, we have reduced administrative staff by more than 25 percent since fiscal year 1993. Efforts to increase efficiency, while still accomplishing an ever-increasing workload, continue.

Question 15. Why is Region 2 of the Forest Service the only unit showing a decline in overhead expenses since fiscal year 1993? What are they doing that other units are not?

Answer. Actually Region 2 has not shown a decline in overhead expenses in permanent and trust funds since fiscal year 1993. They have actually shown a slight increase. However, their increase has been much smaller than the other Regions. On the other hand, R2's overhead expenses (on a percentage basis) charged to appropriated funds is the third largest in the nation. The primary reason for this is because R2's permanent and trust fund programs are quite small, thus to a large degree the cost of "program management" and support is being borne by appropriated funds.

However, more analysis would be needed to determine if Region 2 in reality does indeed have lower overhead, or if Region 2 appears to have lower overhead due to their understanding of the changes made in fiscal year 1994 and fiscal year 1995.

Question 16. How will the need to implement major new systems such as FFIS and INFRA affect current staffing levels which are considered overhead?

Answer. For the past 5 to 6 years, since the inception of INFRA, INFRA has relied on an ad-hoc workforce to develop, implement, and support the application. Members of the INFRA team are located in several states across the nation. We are currently evaluating alternatives to implement a permanent organization, in a central location. This will provide for greater career opportunities as well as provide for enhanced application implementation and support.

It is unclear whether FFIS alone will affect staffing levels. The challenge of converting a commercial—off the shelf accounting package to meet all the specialized accounting needs of the Forest Service has taken a lot of attention. Our financial health initiative also attempts to address the weaknesses of our recent financial statement audits. While these efforts have commanded our attention, we will not know the long-term needs until we can get over our implementation hurdles and begin to make FFIS and Financial health routine business.

Question 17. Is the Forest Service aware that even though total fund expenditures fell over the past five years, indirect expenditures increased significantly? Has the Forest Service been monitoring the increase in indirect expenditures? If so, what has the Forest Service done to reduce the increases or at least minimize them?

Answer. A change of the FS coding structure for program support and common services for program managers (which we understand GAO and others refer to as "overhead or indirect costs") occurred in fiscal year 1994 and again in fiscal year 1995. Many costs, in fiscal year 1994 and later, in these activities had no comparable work activity codes in fiscal year 1993 business. This change in definition, or classification of costs, accounts for more than 100 percent of the "apparent" increase in "overhead or indirect costs" from fiscal year 1993 to fiscal year 1997. In fact, if the costs included in the total with "overhead and other indirect costs" as a result of this definition or classification change are excluded, the costs for this category has actually decreased by 16 percent since fiscal year 1993. Admittedly, much confusion was created with the change in definition and classification of activity costs in fiscal year 1994 and fiscal year 1995. Consequently we are analyzing and reviewing our entire cost accounting code definitions and structure with the intent to clarify and have revisions in place in time for use in fiscal year 2000. Due to the reductions in Budget and Accounting staff over the last five years we have not had the resources to monitor "indirect costs'. We are actively looking at reducing all costs, not just overhead codes. All work should be performed in the most efficient manner. We have combined a number of units, both administrative overhead units and entire offices, eliminated some offices and moved some to cheaper quarters over the years to lower fixed overhead costs. In addition, we have reduced administrative

staff by more than 25 percent since fiscal year 1993. Efforts to increase efficiency, while still accomplishing an ever-increasing workload, continue.

Question 18. Why have indirect expenditures risen while overall fund expenditures have decreased? Can the Forest Service identify the types or kinds of indirect expenditures that are responsible for the growth? Are certain indirect costs escalating faster than others? If so, what are those costs? What has the Forest Service done to slow this growth?

Answer. A change of the FS coding structure for program support and common services for program managers (which we understand GAO and others refer to as "overhead or indirect costs") occurred in fiscal year 1994 and again in fiscal year 1995. Many costs, in fiscal year 1994 and later, in these activities had no comparable work activity codes in fiscal year 1993 business. This change in definition, or classification of costs, accounts for more than 100 percent of the "apparent" increase in "overhead or indirect costs" from fiscal year 1993 to fiscal year 1997. In fact, if the costs included in the total with "overhead and other indirect costs" as a result of this definition or classification change are excluded, the costs for this category has actually decreased by 16 percent since fiscal year 1993. Admittedly, much confusion was created with the change in definition and classification of activity costs in fiscal year 1994 and fiscal year 1995. Consequently we are analyzing and reviewing our entire cost accounting code definitions and structure with the intent to clarify and have revisions in place in time for use in fiscal year 1999. Due to the reductions in Budget and Accounting staff over the last five years we have not had the resources to monitor "indirect costs". We are actively looking at reducing all costs, not just overhead codes. All work should be performed in the most efficient manner. We have combined a number of units, both administrative overhead units and entire offices, eliminated some offices and moved some to cheaper quarters over the years to lower fixed overhead costs. In addition, we have reduced administrative staff by more than 25 percent since fiscal year 1993. Efforts to increase efficiency, while still accomplishing an ever-increasing workload, continue.

Question 19. Can we expect the growth in indirect expenditures to continue? What plans does the agency have to reduce indirect expenditures in the future?

Answer. As explained in answer to question No. 13 and No. 17, we do not believe that "indirect expenses" in reality, have increased. We believe the increases are due to changes in definition in regard to expenses allowed to be charged out to this cost category. We can expect consistent definitions and coding of activities in the future. This coding change may cause indirect expenses to appear higher or lower, but it will not change reality. Our efforts to minimize all expenses are ongoing.

Question 20. How do you explain the wide variations in indirect expenditure rates? Are some funds more efficiently managed than others?

Answer. The indirect expenditure rates are a result of services provided to be individual resources. To the extent that any of the programs require indirect costs (rent for their employees, computers for their projects, unemployment costs for crews, line supervision for their crews) the benefitting fund pays the cost as part of the program. The variations in the indirect rates are a reflection of the complexities. Salvage Sale Funds, K-V, and Salvage Sale are all similar. Coop-work-other is less by the nature of the program. Coop-work-other is for cooperative work with others outside of the Forest Service and requires less indirect support because of its activities.

Question 21. How do you account for wide variations in costs from region to region? Is it possible that some regions are much more efficient than others or is there some other reasons for such wide variations? If some regions are able to manage funds at far less in indirect costs, are there lessons to be learned by other regions? Does the Forest Service have in place a mechanism for sharing this knowledge? If so, then why are there such vast differences?

Answer. Variations by region are to be expected. Geographical and ecosystem differences across the country will always result in variations in costs across the regions. Costs to support recreation in urban fringe areas differ from wilderness areas. Both are necessary and proper. The Forest Service has a program of management reviews and technology transfer mechanisms to keep program managers apprised of efficiencies across the agency. However, more analysis is needed to determine if fluctuations among regions are due to different coding conventions or in more efficient use of funds.

Question 22. Has the Forest Service ever analyzed its "overhead", "indirect", or "general administration" costs with a goal towards reducing the amount of these costs instead of reallocating them to other categories? If so, how successful was the Forest Service in obtaining overall cost reductions? Has the Forest Service followed up to assume that its recommendations are still in place?

Answer. As stated previously, we focus on reducing all costs, not just specific types of costs. We have recently consolidated some organizations and are moving

one regional headquarters to realize overall costs reductions. In fiscal year 1997, the Washington Office consolidated the Land Management Planning and Ecosystem staffs, and reduced two staffs in the Research organization. Also in fiscal year 1997, two Research Stations were consolidated. In fiscal year 1998 three National Forests and 22 Ranger Districts were consolidated. We have gained approval to move the Pacific Southwest Region's Regional Office from San Francisco to Mare Island to achieve lower rent costs.

Question 23. Has the Forest Service compared its overhead, indirect, or general administration costs to other federal agencies, state agencies, or the private sector? If so, what were the results?

Answer. No analysis of this nature has been done by the Forest Service.

Question 24. Has the Forest Service used analysis of other federal agencies, state agencies, or the private sector to assist them in analyzing their own indirect costs?

Answer. No analysis of this nature has been done by the Forest Service.

Question 25. Does the Forest Service know whether indirect expenditures as a percent of total appropriated funds have been increasing? If so, how do indirect expenditures for the five funds compare to those of appropriated funds? If the growth in indirect expenditures for appropriated funds is inconsistent with those for the five Forest Service funds, what can be done to slow the growth?

Answer. Indirect expenditure rates in the NFS appropriations are increasing slowly, similar to the years with valid data in the five funds in the GAO report. The rates are lower than the five funds because NFS appropriations are not assessed for GA. However, see No. 13 and No. 17 for a discussion about how coding changes over the years have affected the composition of indirect costs.

Question 26. Do all funds incur the same kinds of costs or are some of the funds exempt from particular indirect costs?

Answer. No. All funds finance indirect activities to the extent that they require them. Indirect collections can be waived in a certain category of coop-work agreements, although the indirect costs in those cases are paid for by the benefitting BLI in appropriated funds. Indirect expenditures are also sometimes forgone if the amount is insignificant.

Question 27. Are indirect expenditures for the Cooperative Work-Other Fund subject to more oversight than other funds? If so why? Do some "cooperators" require that Forest Service overhead costs be limited or even zero? Are this Fund's costs artificially held down as a result of the oversight? If their expenditures are held down, do the other funds pick up extra shares of the indirect costs?

Answer. No. See answer No. 26.

Question 28. How do you decide which fund will pick up particular costs, especially those that might be shared by all the funds? For example, how do you decide what portion of the Line Management costs will be allocated to each fund? How do you decide how each fund will share in rent costs or the costs of new computer systems? Is there a systematic basis for all these allocations that everyone follows?

Answer. All funds provide support to the extent they benefit from that support. This charge-as-worked philosophy is central to the management of our finances. Line management is by definition a GA activity, so other than the occasional Deputy line position that has resource emphasis, line is charged to a combination of appropriated GA (NFGA) and assessments against the permanent and trust funds at parity with NFGA.

When permanent appropriations and trust funds are assessed for general administrative costs, those funds are joined with the general administration (GA) line item into a pool. Funds in this pool of GA are used interchangeably for any expense legitimately paid from GA. For non-GA costs, each fund pays its fair share according to usage or the best estimate of usage. For example, if employees working on salvage sales use 10 percent of the floor space in a building, then the salvage sale fund will pay 10 percent of the rent.

Question 29. How does the Forest Service decide when to reduce costs and when to reallocate them? If the Congress were to limit "overhead", "indirect", or "general administration" costs to a certain percent of total expenditure or total direct costs, would we see a major effort to reduce costs or an attempt to reallocate the costs without any real reductions in the costs? If there were actual cost reductions, where are they likely to occur?

Answer. The Forest Service is always working to reduce costs, since funding is well behind inflation and since we adhere to the business ethic of always trying to improve efficiency. We do not arbitrarily reallocate costs, we do try to ensure that costs are charged correctly and consistently.

If Congress were to limit overhead to a fixed percent of permanent appropriations and trust funds, appropriated funds may have to bear of disproportionate share of the burden. Essentially, the charged-as-worked benefitting function approach would

have to be altered. Indirect costs are simply the attempt to allocate workload to the EBLI requiring the support.

Cutting indirect/overhead takes time; costs such as rent are fixed in the short-run, and relocating often requires Congressional approval. Much of our costs are in salary, especially general administrative costs. We find that in many cases more personnel are needed, at least in the near term, to improve our financial systems and accountability and to meet the increasing needs for information by parties external to the Agency.

Real costs reductions can only occur with:

—Improved business practices, which may cost more in the short run to achieve long run savings;

—Centralization of services, which could make overhead appear higher, even though total costs may decrease

—Elimination of work; and

—Combination, or closure of some units.

Question 30. How do GPRA goals address the issue of reducing overhead and indirect expenses?

Answer. Although no single goal or objective is focused on the issue of overhead and indirect expenses, the need to set relative priorities within an assumed flat budget environment is recognized throughout the annual Performance Plan. The single greatest opportunity, apart from reducing or eliminating programs, is increased operational efficiency through use of technologies such as improved financial systems, corporate data bases (both resource and financial), Geographic Information Systems (GIS), and Global Positioning System (GPS). All GPRA objectives and management initiatives recognize the importance of these potential opportunities.

Question 31. How will the agency plans to reorganize and address the serious financial accountability problems, affect overhead?

Answer. The Agency currently estimates that is will costs approximately $23 million over the next 3-years to complete a series of actions to strengthen management and accountability in the Forest Service. The funds will primarily be used to hire a limited number of management personnel to address the major management needs of the Agency. The Forest Service would return to current staffing levels through attrition so this would not be a permanent increase in overhead costs. We also expect that as the quality of financial information improves, efficiencies will be gained through better analysis of resources alternatives. We also expect to gain efficiencies in overhead operations as we simplify our budget and accounting systems.

Question 32. How can the Committee be supportive of efforts to address these serious problems through reorganization while addressing the problem of increasing overhead costs?

Answer. The Committees can be supportive by working in partnership with the Forest Service as we look at alternatives to simplify our current accounting and budget structures. We would like to work with the Committees in analyzing alternative structures to assure that the Forest Service can meet the information needs of Congress with better quality and more reliable data. The Forest Service and the USDA has realized that reductions in budget analysis, accountants, personnel specialists, and contracting officers has contributed to our serious accountability problems. We believe in the long-term we can reduce not only our overhead costs, but the overall costs of doing business by accurate data to help us make financial and resource decisions. We are in complete agreement in seeking to maximize the efficiencies of our operations and look forward to working with the Committee to pursue this goal.

Question 33. The Forest Service has a Committee of Scientists making recommendations on a revision of the planning regulations. How does that work link to what the Columbia Basin study is developing to amend forest plans?

Answer. The Forest Service has regulations which guide the process to be used while revising Forest Land and Resource Management Plans. The Committee of Scientists are projecting completion of their work in June, 1998 at which time they will recommend planning regulation changes to the Secretary of Agriculture.

Columbia River Basin forest plan revisions will follow the new regulations if they are completed by the time the Columbia River Basin Record of Decision is made. Otherwise, revisions will respond to the current regulations.

WILDLAND FIRE MANAGEMENT

In fiscal year 1997 the agency employed 261 employees in the smokejumper program. The smokejumper program has been in existence for many years and is proud symbol of Forest Service history.

Question 34. With increased roading of the National Forests and overall improved access how cost effective is this program?

Answer. Even with the improved access with the increase in roads over the years, the program is still an important method for quick, safe initial attack on fires. There are still many unroaded areas, including vast areas of Wilderness where smoke-jumpers continue to be the primary firefighting resource. The cost effectiveness varies throughout the west. The National Fire Management Analysis System (NFMAS) is used to analyze the most cost effective mix of resources for all national forests. Smoke-jumpers are used, either alone, or in combination with other resources, in accordance with the NFMAS planning.

Question 35. What studies have been conducted to assess the cost effectiveness of this program as opposed to alternative methods of fire suppression? Please provide the subcommittee with copies of these studies.

Answer. In addition to the NFMAS planning for all units in the National Forest System, an interagency study to determine the best mix of aerially delivered firefighters is underway. The model will analyze various mixes of smoke-jumpers, helitack, and repel crews and should be completed by the end of calendar year 1998. By early 1999, we should be able to test the effectiveness of smoke-jumpers in general as well as determine the most efficient locations and staffing levels.

Question 36. How does the average cost per smoke-jumpers employee compare to that of other employees retained for the purpose of fire suppression?

Answer. The costs for three different types of firefighter appear below. The costs are based on a per FTE basis. The costs include all equipment and administrative support for the firefighter. For smoke-jumpers, the cost of the aircraft supporting each base is included.

Firefighters

Firefighter type	*Cost per FTE*
Smoke-jumpers	$66,364
Hotshot crew member	37,000
Engine crew member	31,000

Question 37. What consideration has been given to merging the smoke-jumpers program completely with that of the Bureau of Land Management under one agency's jurisdiction?

Answer. To date, no efforts have been undertaken to study this question, however, the study mentioned in question 35 will assist in determining locations and numbers needed in the future.

As population increases there is an increasing impact to the fire program due to management of the forest/urban interface.

Question 38. How is the urban interface affecting the positioning of fire suppression forces and the management posture regarding fire suppression?

Answer. With the increased risk to life and property in the urban interface area, there is an increasing need to prioritize fire suppression resource to the protection of life and property in the interface. The Forest Service does not have jurisdiction for structure protection on private land, or on State, Tribal, or local jurisdictions and does not take the primary responsibility in those areas. We do have a responsibility to prevent damage to these areas from wildland fires spreading from NFS protection lands. As a result, suppression resources may be assigned to suppress fires, or flanks of large fires, which threaten the interface instead of assigning those resources to protection natural resources on NFS lands.

The positioning of preparedness forces in anticipation of initial attack needs is based on a planning process which takes into account the location and availability of cooperator resources. In many areas, cooperative agreements with States or local entities provides for a very efficient mix of Forest Service, State and local resources.

Question 39. How is the urban interface affecting the type of equipment being used in suppression activities?

Answer. Since the Forest Service cannot assume responsibility for the suppression of structures, the types of equipment within the agency is based on the need a effectiveness for wildland fire suppression. In recent years, foams and retardants that were developed for agencies with structure protection responsibilities have proved to be very effective in wildland fire suppression. Many engines and helicopter now have foam capabilities, but the purpose is for wildland fire suppression.

Many municipal and volunteer fire departments are now in interface areas with wildland fire responsibility as well as their traditional structure protection duties. These departments are now equipped with wildland fire equipment and have received training and experience from the Forest Service through the Cooperative Fire Protection Program and the Rural Community Fire Protection Program.

Question 40. How is the urban interface affecting the type of air tankers used for suppression?

Answer. The urban interface does not require different aircraft than the current air tanker fleet for safe, efficient, and effective operations.

Question 41. What consideration is being given to acquiring new air tankers for fire suppression such as the CL–415 super scooper aircraft?

Answer. The USDA Forest Service does not own air tankers for suppression but contracts for aerial fire suppression services from the private sector. This is true for both air tankers and helicopters.

Question 42. What effectiveness studies have been conducted by the Forest Service on the CL–415 aircraft? Please provide the subcommittee with copies of these studies.

Answer. The USDA Forest Service was a part of an interagency study effort that culminated in the November, 1996, publication National Study of Large Air tankers to Support Initial Attack and Large Fire Suppression, Final Report, Phase 2. This study was to look at those aircraft with a potential of carrying 1,000 gallons or more of retardant, and develop economic models to describe the composition and distribution of an idealized fleet. The idealized national fleet described in the report is based on 3,000 to approximately 5,000 gallon capacity air tankers capable of delivering long term fire retardant chemicals. The CL–215/415 was considered and might have localized usefulness but does not meet the requirement of 3,000 to 5,000 gallons retardant capacity for a place in the future nationally mobile fleet.

FOREST SERVICE GEOMETRONICS ACTIVITIES

The Forest Service (FS) maintains a Geometronics Service Center which provides a number of services to the organization including mapping. In fiscal year 1997 the center employed 112 FTE's and expended $9.3 million.

Question 43. What consideration has been given to consolidating these activities with other federal agencies such as the U.S. Geological Survey?

Answer. Mapping activities carried out by the FS and other civilian agencies of the federal government have been studied and evaluated on many occasions over the past 25 years. The consolidation of all or part of these activities has been considered and debated; however, rather than consolidation, agencies have found it most efficient and best service to customers to coordinate closely and minimize duplication. Federal agencies involved in geospatial activities utilize interagency agreements to avoid duplication in mapping and related data production activities to share program information, coordinate production and data exchange activities. This includes the shared responsibility for maintaining the nation's topographic quadrangles maps; the National Digital Orthophoto Program, National Aerial Photography Program, Digital Elevation Models, Public Land Survey System and related ownership information and other digital and hard copy geospatial products. The agreements support the missions of various government agencies and also support state and local governments and the private sector.

Question 44. Could all Geometronics activities be assumed by USGS and/or other agencies?

Answer. All Geometronics activities could not effectively be assumed by USGS and/or other agencies. The Forest Service established the Geometronics Service Center because the USGS was unable to meet our needs for base geographic information in a timely manner. Since that time products and services required by forest managers have grown to include the production and dissemination of base geographic information in both hardcopy and digital formats; development and distribution of derivative and special maps, digital data, brochures, and support for transferring geospatial technologies and product applications. There would be no cost savings if this work were shifted to USGS but there would be a loss of service to forest managers.

The importance of Geometronics activities cannot be underestimated. Each resource staff provides funding to support the Geometronics activities to meet their requirements for current, accurate, and timely geospatial information. FS Geometronics activities provide essential geospatial information for over 191 million acres of National Forest System lands directly to the resource managers, scientists, and the public. To adequately respond to critical land management issues such as fire, forest health, watershed management, ecosystem restoration, and recreation, the FS needs quick, efficient access to current information.

FOREST SERVICE LAW ENFORCEMENT

Question 45. What is the current status of Forest Service law enforcement involvement in illegal immigration activities on the Cleveland National Forest?

Answer. Forest Service law enforcement involvement with illegal immigration activities only occurs as it relates to the protection of National Forest System resources. If, during the course of normal activities personnel discover illegal immigration activities, actions necessary to protect the resources and notify the appropriate agency are taken.

Question 46. Has the Forest Service fully implemented the Committee's fiscal year 1998 direction regarding these activities?

Answer. As of December 20, 1997, Forest Service law enforcement had eliminated the use of detailed individuals to the Cleveland National Forest. In addition, the number of law enforcement personnel assigned to the Cleveland National Forest was no higher than it was prior to Border Patrol's Operation Gatekeeper.

The investigation of timber theft continues to be an important emphasis for the program.

Question 47. If the agency increases its reliance on scaled sales, what affects will this have on the overall law enforcement program?

Answer. The opportunity for timber theft is present in both tree measurement and scaled sales; timber theft did not end when the Agency changed to exclusively tree measurement sales. This action merely focused the opportunity for theft primarily on the sale site. Thus, law enforcement personnel concentrated their investigative efforts on pre-sale, sale, or post sale activity. With the decreasing number of law enforcement personnel, this narrowing of opportunity was necessary. With the advent of scaled sales, the opportunity for theft increases. The entire scaling process is vulnerable to theft by any one of a number of individuals involved throughout the process. It will be difficult to ensure proper monitoring of activities by law enforcement personnel due to this increase and the continued decrease of field officers. Investigation of timber theft or related violations during the scaling process will also be hindered by the decline in numbers of special agents to conduct these highly complex scaling investigations.

Question 48. What special program emphasis is the Agency placing on the investigation of timber theft?

Answer. The Forest Service continues to look for opportunities for the development of methods to track and trace federal timber using both overt and covert techniques. Some of these opportunities involve the assistance of other Federal agencies and the addition of "Unannounced Timber Accountability Audits" which are designed to strengthen our internal controls of preventing and detecting waste, fraud, and abuse in timber program accountability. Both LE&I and forest management personnel have worked together to accomplish the following objectives related to timber theft:

—Development of timber theft training modules for prevention/detection, basic investigation, advanced investigation and management.

—Instituted reporting timeframes and documentation requirements when undesignated timber has been cut/removed.

—Law enforcement personnel are now a required part of any activity review or log accountability audit team.

—Improved overall coordination efforts between timber personnel and law enforcement to enhance prevention efforts and establish protocols for reporting and information exchange.

—We have ensured a strong prevention and detection program through use of our law enforcement officers by incorporating timber sale and log yard visits into their regular enforcement activities.

—Issued direction on procedures to ensure debarment and suspension referrals are completed.

Question 49. What is the status of the Agency's long promised comprehensive timber theft prevention and training program?

Answer. The training program is currently being reviewed by timber and law enforcement personnel in all Regions and the Washington Office. Replies are due within the next few weeks and then the program will be finalized.

Question 50. Have all aspects of the program been presented at both timber and law enforcement meetings?

Answer. Although the program has not been finalized, two modules have been presented to line officers and law enforcement personnel. The program is structured so modules are presented to the applicable audience. Not all areas of the program will be used with each group.

Question 51. What experts are being used to present these training sessions?

Answer. A Forester, currently assigned to LE&I has presented the two modules thus far. Future plans are to have forest management and law enforcement provide instructors for their respective sections of the modules. In most cases, the material will be taught by a team made up of both disciplines.

As part of a recent timber theft conviction in Washington State, damage to resources was assessed at $850,000.

Question 52. What resources are available to the Timber and Law Enforcement programs to assure a consistent nationwide assessment of damages in timber theft cases?

Answer. For clarification, the damage assessment of $850,000 is what the Forest Service determined to be the dollar value of the resource damage. Sentencing has not occurred in this case, so it is unknown what the judgement against the defendant will be. The most consistent and professional approach the Forest Service can take, is to have damage assessments performed by the local ecologist, biologist, timber specialist, etc., since they possess the technical and scientific expertise for the affected land base and associated economic/sociological characteristics. Forest Management and Law Enforcement must establish the procedure(s) to be used for resource damage assessment and disseminate it to investigators and the above mentioned resource experts in the field.

FORESTLAND MANAGEMENT

The Administration proposes a timber sell level of 3.4 billion board feet in fiscal year 1999. This figure represents a steady decline since 1990 when the volume offered was over 11 billion board feet.

Question 53. If the funds were provided how much additional volume could the Forest Service prepare?

Answer. The agency has the potential to prepare approximately 400 million board feet of timber for sale in fiscal year 1999. It is not certain that all of the volume could be offered for sale by the end of fiscal year 1999, because of the late start on preparing this volume.

Question 54. To achieve this level, how much additional funding would be required?

Answer. It would require additional funding of $38 million in Timber Sales Management and $10 million in Road Construction for engineering support of road design to prepare the additional 400 million board feet of timber.

Question 55. Of this additional volume how much might be affected by the proposed roadless area moratorium?

Answer. The Chief proposed a draft interim rule suspending the reconstruction or construction of roads in roadless areas for 18 months, which was published in the Federal Register on January 28, 1998. To date this rule has not been finalized and is not in affect. If the proposed interim rule were finalized and implemented as published in the January 28, 1998 Federal Register prior to the beginning of fiscal year 1999, then it would not be prudent for the agency to propose additional sales in areas likely to be suspended. Therefore, the additional volume should not be affected by the proposed suspension.

Question 56. What impact has the dramatic change in Forest Service personnel had in recent years on the agency's ability to produce the modest amount of timber it has promised but in some cases failed to deliver?

Answer. The dramatic change in Forest Service personnel in recent years has decreased the both the number and experience level of field personnel. Both of these factors have slowed the completion of field work.

Question 57. The Senate version of the fiscal year 1998 supplemental contains approximately $4.828 million for the Routt blowdown within the national forest system appropriation. What portion of these funds is directly attributable to removal of timber or to access this salvage volume?

Answer. None of the funds provided in the fiscal year 1998 Supplemental appropriation are for the removal of the blowdown timber. Timber removal will be charged to the Salvage Sale Fund. The fiscal year 1998 Supplemental did provide funding in the National Forest System appropriation for road maintenance to open roads made impassable by the storm. This maintenance will benefit all road uses, which includes timber, but is not directly attributable to access the salvage.

Question 58. What volume of timber is estimated to be on the ground and accessible for harvest as a result of the blowdown, and what is the agency timetable for removal of this volume?

Answer. The volume on the ground and available for harvest (outside Mount Zirkel Wilderness) is estimated to be 53 million board feet. It is estimated that 43 million board feet will be harvested in fiscal year 1998 and an additional 10 million board feet in fiscal year 1999.

Question 59. Is the removal of this volume affected by the roadless area moratorium?

Answer. The Chief proposed a draft interim rule suspending the reconstruction or construction of roads in roadless areas for 18 months, which was published in the Federal Register on January 28, 1998. To date this rule has not been finalized and is not in affect. According to the draft interim rule road projects in roadless areas on the Routt NF would be exempt from the suspension. This results from the Routt NF having a signed Record of Decision revising the land and resource management plan on which the administrative appeals process under 36 CFR Part 217 is underway. It is felt that issues related to road construction in roadless areas will be addressed in the appeal decision, when appropriate. Therefore, if the interim rule were finalized and implemented as published in the January 28, 1998, Federal Register, then the blowdown volume on the Routt would be exempt from the rule.

Question 60. Are agency salvage sale resources sufficient to access this volume?

Answer. Yes, there are sufficient salvage sale fund resources to access this volume.

Question 61. Does the Forest Service actively intend to harvest available downed timber? If so, in what year?

Answer. Yes, the Forest Service plans to actively harvest the available downed timber. It is estimated that 80 percent will offered for sale in fiscal year 1998 and the remaining 20 percent in fiscal year 1999.

Question 62. What road construction/reconstruction must occur to access this volume?

Answer. Nineteen miles of reconstruction is needed to provide safe access into the sale area. The work includes drainage improvements; adding turnouts; spot surfacing and widening; resurfacing; regraveling; minor realignment; and clearing. This work will allow safe access throughout the area with the increased logging traffic and will allow multiple sales to be offered simultaneously. It is estimated that five miles of new road construction is needed to provide adequate access.

The timber sale contract has been under consideration for revision for more than 10-years.

Question 63. What is the status of the planned contract revision?

Answer. It is currently being prepared for advertisement in the Federal Register as a proposed rule. This proposal in now in the Department for clearance.

Question 64. What consideration has been given to proposing innovative new methods of timber sale contracting which would include provisions for providing logs timber [sic] for services to accomplish watershed restoration projects.

Answer. Identification and evaluation of new ways of accomplishing national forest vegetative management goals, including those relating to watershed restoration, was launched in the summer of 1996. The decision to begin this "reinvention" process was prompted by a growing recognition of three things: (1) the need to treat national forest vegetation in some areas to achieve ecosystem protection and restoration goals; (2) the fact that our traditional tools for implementing desired vegetative treatments—i.e., timber sale and service contracts—have serious drawbacks, especially when it comes to treating low-valued material; and (3) the likelihood that future appropriations for performing needed ecosystem protection and restoration work will require improved program efficiency and effectiveness.

To help provide public input, a national scoping session was held in Washington, DC, during October 1996. Based on the input that was received, five objectives were established. These are: (1) to explore new ways of accomplishing needed vegetative treatments more effectively and efficiently; (2) to explore new ways of accomplishing needed vegetative treatments with minimal need for increased appropriations; (3) to demonstrate the role of vegetative management in proper resource stewardship; (4) to demonstrate the role that ecosystem protection and restoration activities can play in helping to sustain rural communities; and (5) to demonstrate the advantages of collaborative stewardship.

In the summer of 1997, Bob Joslin, Deputy Chief for the National Forest System, asked the Regional Foresters to identify projects for "pilot-testing" possible new ways of doing business. A total of 52 nominations were received. In November of 1997, an interdisciplinary team reviewed the proposals and recommended 23 projects, including at least one from each region, for implementation. Projects were selected on the basis of the following criteria: (1) ability to add to our existing knowledge; (2) the potential to provide information of broad applicability; (3) evidence of widespread public interest and support; and (4) ability to implement one or more of the Chief's resource priorities—i.e., improving forest and rangeland ecosystem health, improving water quality and quantity, promoting responsible recreation use, riparian restoration, and promoting partnerships.

The proposed pilots evaluate a wide variety of new processes and procedures within a range of different settings, including some urban interface areas. While some of the projects can be carried-out within our existing legislative authorities, consist-

ent with the spirit of reinvention, others would require temporary supplemental authorities to be implemented as planned. One of these authorities, as this question suggests, would be the ability to trade goods for services.

The Forest Service has conducted extensive studies on effective utilization of small diameter material throughout the western states.

Question 65. What active projects have resulted from this research? What specific sites have actually utilized small diameter material in response to this research?

Answer. There have been a variety of studies conducted on improving utilization of small diameter material. The research has focused primarily on new or alternative products, tools and strategies for harvesting small trees, and economics of product and management options. This research is in various stages of completion from analysis to technology transfer to on-the-ground testing. Early results have been incorporated into a model to help resource managers make decisions about how to improve financial decisions when designing contracts for forest operations. This model, Financial Evaluation of Ecosystem Management Activities (FEEMA) is in the technology transfer stage with scientists working with resource managers to demonstrate how to use it. This model will help managers foster cost-effective ecosystem-based activities regardless of whether the management objective is improving forest conditions, improving wildlife habitat or is a designated timber sale.

Several research projects have been conducted over the last two years in cooperation with the Pacific Northwest Research Station, the USDA Forest Products Laboratory, and other federal and non-profit partners on the Applegate Adaptive Management Area. To date, three independent wood products manufacturers are using or planning to invest in technologies to utilize the small diameter material.

The Limber Jim Fuels Reduction Management Experiment on the La Grande Ranger District of the Wallowa-Whitman National Forest in Oregon investigated harvesting methods of small-diameter material, and was completed in 1998. The primary purpose of the fuel reduction efforts was to reduce small-diameter forest fuels to create a shaded fuel break, which would permit more effective forest fire fighting. Additionally, three methods of removal of these materials were compared for economic efficiency, stand damage, and wildlife impacts. Technology transfer efforts are ongoing to encourage utilization of this research. This project was conducted by the Blue Mountains Natural Resources Institute of the Pacific Northwest Research Station and the La Grande Ranger District of the Wallowa Whitman National Forest in cooperation with several partner organizations.

In northern Idaho and Montana, research by our USDA Forest Products Laboratory in Madison, Wisc., showed that mechanical grading lumber from small diameter lodgepole pine and grand fir substantially improved grade yield of structural products. Several mills in these areas are now considering implementing this technology to more efficiently handle small diameter logs.

In Arizona and Colorado studies have been conducted on the structural use of 4- to 6-inch of "round-wood" for applications such as rustic round trusses, space frame pole structures, picnic shelters, bridges, and for other structural buildings. Research efforts are focusing on overcoming the technical barriers, such as grading systems to meet building codes and better understanding the variation of round material versus sawn lumber.

In the Southwest the Forest Products Laboratory has initiated a project with glue-laminated manufacturers regarding the use small diameter ponderosa pine as decking for timber bridges. A manufacturer is producing a demonstration product for evaluation and testing.

Last year's Interior Appropriations bill included language that amended the Forest Resources Conservation and Recovery Act (FRCSRA). The amendment requires the Forest Service to issue regulations governing our log export laws no later than June 1, 1998.

Question 66. Can you tell us the status of these regulations and if you are going to meet the June 1 deadline?

Answer. The revisions of the Export Regulations required by the 1998 Appropriations Act are being reviewed by the Office of the General Council. We plan on publishing the proposed revision of the rule in July.

The method by which the agency accounts for timber sale accomplishment differs from region to region.

Question 67. What is the agency position on potential direction from the Committee that it account for timber sale accomplishments by volume sold as opposed to volume offered?

Answer. The Forest Service can track sold volume and/or offered volume. By tracking sold volume for accountability, emphasis is placed upon developing environmentally sound economical sale packages.

Congress directed the agency to conduct a nationwide study comparing tree measurement and scaled sale methods for selling timber.

Question 68. What specific actions have taken place on the recommendations from this report?

Answer. The study, directed by Congress, comparing tree measurement and scaling has been submitted to Congress. Many of the suggestions were already part of the standard regional practices. The report indicated that there are advantages to each method of measurement depending on the situation. The Washington Office has asked the Regions to evaluate the report and make recommendations on how the suggestions might be implemented. The replies are due next month.

SYSTEMS MANAGEMENT

The agency has committed to having fully functioning and manageable data relative to real property maintenance in the "infrastructure" data base by the end of fiscal year 1999. The Subcommittee expects the agency to comply with this commitment.

Question 69. Are regional and forest unit managers fully cognizant of the agency commitment to this deferred maintenance system?

Answer. The Chief has delivered his agenda to the Congress, the Department, and the Forest Service employees. Along with the Chief's message, the Chief Operations Officer and all Deputy Area directors have been stressing the importance of being able to easily gather credible information that can be shared with others in a timely manner. A significant commitment is to address deferred maintenance for facilities and roads and this message is being strongly delivered to the field units. Currently, Forest Service specialists are meeting to accurately describe what deferred maintenance is. Given agreement on basic data requirements and definitions, "infrastructure" will then capture the information required.

Question 70. Is the agency on schedule in terms of systems modifications and definitions that must occur in order to fully handle the deferred maintenance information in "infrastructure".

Answer. Yes. The agency is working diligently on definitions, clarifications, and agreement with the different program areas in the Forest Service and the Forest Service is seeking standardization with other land based agencies to ensure a common understanding of the definitions. The Agency is on a short and intense course of action to gain agreement on deferred maintenance definitions. The first version of the "infrastructure" system that will handle deferred maintenance information using the new definitions is scheduled to be fielded in fiscal year 1999.

Question 71. Once operational, will system be able to generate complete national reports which identifies the amount of backlog for all forest service facilities, including roads, bridges, trails, buildings and recreational facilities?

Answer. Once fielded in January, 1999, the system will be able to store maintenance needs for these facilities. There will be some lag before the data is collected through condition surveys, and entered into the system. Some data is now on hand from recent inspections that can be entered into the system immediately. It will most likely be several years before a complete cycle of condition surveys and data entry will occur. Before data entry and condition surveys are completed, the currently available data can be used to make better estimates for the total deferred maintenance backlog for each facility type. The system will be able to sum deferred maintenance by facility type and provide information for national reports.

The Bureau of Land Management is implementing an Automated Land and Minerals Reporting System (ALMRS) which will provide resource information on a national basis from any location within BLM.

Question 72. Does the agency have plans to implement a similar system with comparative accessibility?

Answer. Yes. The Forest Service will implement the automated lands project (ALP). This will enable both agencies to access each others data in a seamless manner.

Question 73. What effort is the agency making to assure that resource management information systems are fully compatible with BLM?

Answer. There is a joint Forest Service/BLM team designing the required data elements to assure interagency compatibility in accordance with Federal Geodetic Data Committee standards.

FOREST SERVICE ADMINISTRATION

USDA has acquired the Foundation Financial Information system (FFIS) for use Department-wide. The agency recently announced plans to delay implementation of the system for an additional year.

Question 74. A February 1998 report by GAO states that FFIS is not year 2000 compliant. Will this cause problems with implementation?

Answer. No. A year 2000 compliant version of FFIS will be installed at the National Finance Center, New Orleans, Louisiana, during June/July, 1998.

Question 75. How will implementation of FFIS affect the agency organization? Will additional FTE's be required to manage the system effectively?

Answer. FFIS implementation has significantly impacted units currently piloting the new system. In addition, more staffing has been assigned to the Agency FFIS project team. There has been moderate impact on the remainder of the Agency as individuals are trained in the use of FFIS and as units prepare for data conversion from the current Central Accounting System (CAS) to FFIS. Additional FTE's will be required in other Agency units as they begin to implement FFIS. The need for these additional FTE's is currently being assessed and prioritized with the intent to have needed positions advertised and filled within the next 60–75 days.

Question 76. Based on test results, GAO states that the system had significant problems in terms of using FFIS information for budgetary and accounting report generation. Will this problem be rectified before the system goes "on-line?"

Answer. Yes. FFIS is currently operating on-line within FS Regions 6, 10 and the Pacific Northwest Research Station. The Agency is rapidly addressing reporting issues so that Regions 6, 10, and the Pacific Northwest Research Station may determine their funds status for fiscal year 1998. An alternative approach is currently being reviewed for the production of necessary reports which will involve the use of an FFIS reporting module.

Question 77. In light of the plan to delay implementation, is the agency considering different accounting systems that could provide better reliability?

Answer. Based on experience gained in preparation for implementing FFIS, the Agency does not believe it would be feasible to implement another new accounting system before the Agency-wide implementation of FFIS. FFIS is anticipated to be implemented Agency-wide on October 1, 1999. The remaining FS units, i.e., other than Regions 6, 10 and the Pacific Northwest Research Station, will continue to use the Central Accounting System (CAS) currently located at the USDA National Finance Center, New Orleans, Louisiana. Maintenance of accurate financial information will continue to be emphasized Agency-wide . This emphasis will also facilitate conversion to FFIS.

Significant changes may occur in agency budget structure due to implementation of GPRA and as a result of recently announced plans to reorganize.

Question 78. Will FFIS be able to accommodate these changes while the system is being implemented.

Answer. Yes. FFIS can accommodate a wide variety of options involving budget and cost reporting structures which will provide support for the Agency to fully implement the Government Performance and Results Act (GPRA).

DEFERRED MAINTENANCE

During the House hearing on agency deferred maintenance, the Forest Service committed to examining the efficiency and regulatory compliance of its housing program.

Question 79. What steps is the agency taking to address what is clearly poor utilization of employee housing?

Answer. The Forest Service has taken the following steps to address employee housing:

—Notifying tenants, except those in barracks, that we are reviewing all quarters to determine if the quarters are necessary to meet Forest Service needs;
—Utilizing Office of Management and Budget (OMB) Circular A–11 criteria for decisions regarding new construction and reduction of existing quarters;
—Converting quarters to other uses when there is a need;
—Reporting to our Lands Staff, for exchange, all quarters on administrative sites that have been vacant for over a year as well as those quarters that are not occupied by Forest Service employees;
—Surveying all the remaining quarters and identify for disposal those that are not required for service or protection or where there is available housing (OMB Circular A–11);
—Documenting the survey and reasons for keeping each unit; and
—Ensuring that the reduction of quarters is consistent with any existing or proposed organizational changes.

Question 80. When will the agency take aggressive steps to eliminate unused housing?

Answer. We have taken aggressive steps as indicated in our response to question 79. We will continue to monitor the survey and disposal progress.

Question 81. The agency's records indicate that quarters collections totaled $6.9 million in fiscal year 1997. How does this compare to the present estimated cost of bringing housing to current standards for condition and maintenance?

Answer. Industry operation and maintenance costs range from 2 percent to 4 percent of current replacement value. Our annual quarters rental collections (less than 1 percent of current replacement value of all improvements) are expended on immediate maintenance needs and do not reduce the backlog.

Question 82. Has the agency considered renting unused employee housing to private parties as residences when such housing will not be utilized for agency purposes? If not, why not?

Answer. We have permitted the use of a small number of our housing units and will continue to do so where the housing is vacant now but is needed for future programs.

There are several reasons why we do not want to "rent" unused housing to private parties:

—We do not want to, nor do we believe we should, compete with the private sector;

—We wish to a avoid the liability and risk that comes with having private citizens living at Government compounds and work centers;

—We do not have the people or time to manage a private housing program;

—We wish to avoid the disruption to Forest Service operations that would come from having private citizens living at Forest Service sites; and

—We do not believe that, in general, the "rents" collected would be adequate to maintain the structures, to make necessary upgrades, to provide a reasonable return on investment, and to pay the costs of managing the program.

Question 83. A March 17, 1998, USDA OIG report states that the management of maintenance could be significantly enhanced the GPRA strategic plan specifically provided emphasis. Does the agency intend to implement this finding?

Answer. The Forest Service GPRA Strategic Plan contains an objective under the "Provide Multiple Benefits" goal that is focused on maintaining an effective infrastructure. This Plan was submitted to the Congress and OMB on September 30, 1997. That revision will include language to focus on the improvement of infrastructure maintenance. The fiscal year 2000 Performance plan is being revised to include performance indicators that target a reduction of the deferred maintenance backlog. The current and fiscal year 1999 performance plans contain performance indicators relating to the improvement of road, trail, and building maintenance.

Question 84. Has the agency developed standardized definitions for deferred maintenance which will be used in the "infrastructure" data base?

Answer. We are now developing standard definitions for use in the various program areas. The Forest Service definitions are based upon the definitions put forth by the Federal Accounting Standards Advisory Board in their Statement No. 6 of June 1996. The various program areas (recreation, roads, dams, etc.) will incorporate the definitions into specific direction to the field, and develop guidance for implementation. The Work Items module of the "infrastructure" data base is being modified to accept data based upon the standard definitions. The modified INFRA system is scheduled for release to the field in January of 1999.

Question 85. How do these definitions compare to those used by the Department of the Interior?

Answer. The Forest Service is coordinating with the Department of Interior striving to make our definitions consistent.

The Forest Service does not perform all of its maintenance activities from the Infrastructure Management line item.

Question 86. What is the agency's position regarding consolidating all recreation maintenance activities into this line item?

Answer. The Forest Service supports changes to its budget structure that provide more flexibility and accountability to managers on the ground to address resource management needs. The backlog of maintenance work for trails, roads, and fire, recreation, administrative, and other facilities is at several hundred million dollars. Consolidating all recreation maintenance activities—recreation facilities and trails maintenance—into the Infrastructure Management budget line item could serve to more effectively highlight and increase understanding of the budgetary issues associated with infrastructure maintenance. However, consolidating these activities in a manner that provides less budgetary flexibility to managers, such as the creation of unnecessary expanded budget line items, would be counterproductive. Instead, a more comprehensive, both to provide additional visibility to budget issues, along with flexibility and more accountability for local forest managers may be more effi-

cient. The Administration is analyzing options and looks forward to working with the Committee on these questions.

ROAD CONSTRUCTION MORATORIUM

The Forest Service implemented a roads policy with one component being a proposed moratorium on road construction in roadless areas. Forest Service estimates are that this moratorium will reduce the fiscal year 1999 timber sales program by 100 million board feet. I fear the Administration may be under-estimating the long term impacts of the moratorium.

Question 87. The committee assumes work has ceased on development work on projects in roadless areas pending completion of the 18 month "time out" period. Assuming your line officers are doing exactly that, isn't it true that several years could elapse before these sales are brought back on line?

Answer. The assumption that work has already ceased is not correct. The final rule has not been published nor implemented. In addition, the Deputy Chief for the National Forest System issued the following direction on April 2, 1998 to clarify the concern you have.

As you are aware, the Forest Service published a Proposed Interim Rule in the Federal Register on January 28, 1998. The interim rule will not be final until public comments are evaluated, and a final rule is published in the Federal Register. This is at least a month or more from now.

We are aware that some line officers have canceled projects in response to the draft proposal. I want to emphasize that the Federal Register announcement makes it clear that this rule will not be effective until the date of publication of the final interim rule. The chief wrote to the Forest Supervisor's recommending the following:

"There are many good reasons to cancel, modify, or lengthen the planning process for projects proposed in roadless areas. You should continue to use your best judgement about what projects should go forward and what projects should be cancelled. However, I remind you that you should not use the draft interim rule, nor the anticipation of a final rule, as a reason to cancel or delay continued analysis or decisionmaking for projects."

It is anticipated that once the interim rule is finalized any project subject to the suspension will need to be analyzed in light of new transportation analysis process before it can be implemented. This will cause some delay.

TRAIL RECONSTRUCTION/CONSTRUCTION PROGRAM

The fiscal year 1999 budget request reflects a reduction in trail reconstruction/construction of $14.3 million. The justification further states that $15 million of the program will be funded from the Road and Trail fund.

Question 88. How will the agency increase its attention to reducing backlog if it reduces requests in appropriated funds in favor of offsets against other funds?

Answer. In fiscal year 1999, we propose funding the Trail Reconstruction and Construction program from both Appropriated (CNTR) funds at $13.2 million, and from the 10 percent Road and Trail Fund (10 percent R&T) for $15 million, for a total of $28.2 million, a total increase of $1 million from fiscal year 1998 of $27.3 million in Appropriated CNTR funds. The 10 percent R&T will be used for the same activities as the CNTR funds, and on the national forests in the States that generate the receipts. The Appropriated dollars will be used to backfill to bring the total on each forest up to the program level. To determine the feasibility of this approach, we ran a test allocation based on the fiscal year 1997 receipts by forest. If the fiscal year 1997 receipt levels remain the same or increase in fiscal year 1999, by State, it appears to be possible to provide the for the trail reconstruction and construction program levels between the two funds. This program level of a combined $28.2 would include addressing some of the backlog trail miles.

FOREST SERVICE ACCOUNTABILITY

Senator Gorton noted in his hearing remarks, that the General Accounting Office gave a very strong indictment of the agency's commitment to improving decision making and efficiency, and tracking its finances.

Question 89. Does the Forest Service plan to fix the serious problems noted by GAO? If so, what are the specifics?

Answer. The GAO report discussed significant resource and financial management deficiencies within the Forest Service (FS), including: inadequate attention to improving the Agency's decision-making process; an inability to improve accountability for performance; a lack of agreement within the Agency on how to portray long term strategic goals; an inability to address issues that transcend administrative bound-

aries and jurisdictions; an inability to operate under the differences in environmental statutory requirements; slow progress in taking aggressive actions to correct deficiencies; and a lack of integration among national processes, data structures, systems and information. These are major challenges. While the Agency acknowledges that there is much work yet to be done, a good start in implementing long-needed changes has been completed.

A Forest Service Natural Resource Agenda (Agenda) has recently been announced to help with these changes. The Agenda focuses special attention on four key emphasis areas: watershed health and restoration, sustainable forest ecosystem management, forest roads, and recreation, and is a clear expression of direction—direction that is supported strongly by the American people and that will be implemented in strict accordance with the law. One of the issues facing the Agency is the tradition of trying to do everything and failing to set a clear set of priorities. This has led to some questionable decision-making and failure to implement some projects, particularly those that are complex and contentious. The Agenda will give a more focused direction and priorities to FS employees over the next few years.

The Agenda is being implemented through the Government Performance and Results Act (GPRA) process. GPRA is an extremely useful tool for linking the Agency mission to appropriate strategies and results. Priorities set by this Agenda will be reflected in appropriate GPRA goals, objectives and performance measures. Further, specific GPRA performance measures are being linked to individual standards for FS line officers.

Significant improvements are being made in the area of financial management and accountability. The Agency continues to take aggressive action to ensure that the FS becomes one of the most efficient agencies in the Federal Government. While much work is yet to be done, the Agency has made a good start in implementing long-needed changes.

In conjunction with the USDA Office of the Chief Financial Officer (OCFO), the Office of the Inspector General (OIG), and the USDA National Finance Center (NFC), the FS is working towards implementing a new general ledger system called the Foundation Financial Information System (FFIS). Consistent with this joint effort, a pilot project to implement FFIS in several FS regions is currently under way. While progress is being made, implementation issues are being managed continuously. As FFIS is implemented, FS financial management requirements will be modified as appropriate and opportunities will be identified where Congress, in its authorizing and appropriations processes, can help the Agency achieve a strong and accountable financial management system.

Additionally, the Coopers and Lybrand accounting firm was commissioned to review the Agency's financial management situation. Their report, released in March, makes recommendations on streamlining and clarifying financial management systems. These recommendations are being carefully reviewed and appropriate action taken to strengthen financial management in the Forest Service.

COLUMBIA BASIN STUDIES

This Subcommittee has major reservations about the Interior Columbia Basin Ecosystem Study. When the Forest Service first undertook this effort with the Bureau of Land Management, Congress was assured that planning over large areas such as the Columbia Basin would promptly result in making final land management decisions. Now, due largely to the Endangered Species Act requirements for consultation with other regulatory agencies; namely the Fish and Wildlife Service and the National Marine Fisheries Service, it appears the Columbia Basin study is little more than a bureaucratic process that will be followed by an additional cumbersome local forest planning process. This seems terribly inefficient. Once again it appears the Forest Service is affected by analysis paralysis.

Question 90. What effort can be made by the Administration to rein in these regulatory agencies, so the analysis will only occur at one level or the other?

Answer. An Executive Steering Committee was developed by the Director of the BLM and Chief of the Forest Service to manage the project. The committee is composed of the BLM State Directors from Oregon and Washington, Idaho, and Montana; Regional Directors of the National Marine Fisheries Service, US Fish and Wildlife Service and Environmental Protection Agency; Forest Service Station Directors from the Pacific Northwest Research Station and the Intermountain Forest and Range Experiment Station and the Forest Service Regional Foresters from the Pacific Northwest, Northern and Intermountain Regions. This Committee is working hard with a broad array of governments including 100 counties and 22 tribes, partners; and interested groups and individuals to carry out a very complex task because of the issues and size of the area involved. They are striving to find a way

to balance the statutory responsibilities of five federal agencies with the needs of State and local government and demands of industries and conservationists, and the desire of an even broader array of individuals and groups.

Question 91. In order to move this process forward, does the Forest Service plan to reduce substantially or eliminate requirements for local unit planning following issuance of the final EIS?

Answer. The project decisions will lay out the conditions for future management to assure sustainable populations of species across the planning area. It will provide the framework for future management. It will create consistency regarding broad scale issues being integrated into forest and resource management plans, creating a better expectation for goods and services to be provided from our public lands. Although we won't know for certain until a decision is made, we anticipate that the ICBEMP ROD will identify broad scale desired future conditions for vegetation, road management conditions, aquatic/terrestrial strategies, and some management prescriptions. If this were to happen, the need to address these types of broad scale concerns at the project level would be eliminated.

Question 92. What impact will the plan have on local land managers ability to make important management decisions in a prompt and efficient manner?

Answer. One of the purposes of the Project is to provide a broad scale framework for local land managers to make local decisions promptly and efficiently. With this framework, managers will be able to focus on local issues and not expend time and energy on issues that they can not resolve at their level. For example, the Final EIS and Record of Decision (ROD) will contain direction concerning conservation and restoration of aquatic systems. When followed, it will provide assurances to local managers that their actions are contributing to the restoration of aquatic species and not a continuing decline.

This project has become too grand in concept, especially if local planning efforts must continue. If Congress continues to authorize this project, this Subcommittee expects the Forest Service and the Department of Interior to make it more streamlined and focused.

Question 93. What are the decisions that absolutely must be made at the Basin level, and what other aspects of the study can be eliminated?

Answer. The project will be revisiting this question in developing the Final EIS and ROD. There may be decisions that can be deferred and are more appropriately made at other levels. Our intent would be to identify these issues and as part of the decision for this Project, describe how and when they would be addressed.

At a minimum, the Project must replace interim direction, specifically PACFISH and INFISH. There are two court decisions (Prairie Wood Products et. al. v. Glickman et. al. and Friends of the Wild Swan et. al. v. U.S. Forest Service et. al.) that expect the Project to replace the interim strategies with a long-term strategy.

In previous testimony the Forest Service stated that through this process it would prevent future endangered species listings; but it appears that species listings is moving right along, including Steelhead, Bulltrout, the Lynx and others. The agency doesn't seem to be succeeding.

Question 94. Will a final record of decision prevent further endangered species listings?

Answer. It is certainly our intention to build into the Final EIS and ROD the necessary analysis and direction to avoid the need to list additional species where all or a major portion of the species population resides on federal lands. Furthermore, it is our intention to provide the necessary direction to ensure that no listing of additional species occur as a result of management actions on Forest Service and BLM lands. This intent is clearly written into the goals for the Project. The information and analysis prepaid for the Project will allow State and local officials throughout the Basin in their decisions over a multi-state region.

Question 95. What will it take in the record of decision to accomplish this goal?

Answer. By implementing the Final EIS and ROD, it is our intent to avoid further listings on federal lands.

Question 96. What is the impact of the plan on private property?

Answer. Decisions made in the Final EIS and Record of Decisions will not apply to private or other non-federal lands. Decisions made by the Project will only apply to the 72 million acres of Forest Service-or BLM-administered land within the project area. How those lands are managed could affect other lands; just as current management of federal lands affects other lands, and private management affects federally administered lands.

It is our intent that the aggressive restoration strategies of the preferred alternative positively affect other lands through, for example, a reduction in the occurrence of uncharacteristic wildfire and more systematic and aggressive treatment of noxious weeds.

The National Environmental Policy Act requires that federal land managers look at both how they might affect surrounding lands as well as how management on those lands might affect federal lands. Chapter 4 of the draft statement outlines what those possible cumulative effects might be.

The Columbia Basin Study has been extremely expensive, with the BLM and Forest Service spending over $15 million on the study alone and estimating the need for $125 million to implement the plan.

Question 97. To what degree is success of the plan dependent on these agencies receiving the funding increases requested in the fiscal year 1999 budget?

Answer. The funding increase requested in the President's 1999 budget is the amount of the funding needed to begin implementation of the plan in the last quarter of fiscal year 1999. That funding increase is based on the preferred alternative (Alternative 4) in the draft statement. Between the draft and the final statement, we expect there will be changes made to Alternative 4 and that implementation funding may need to be recalculated.

If full funding does not occur, we will still be able to implement the plan with the funding the agencies do receive. However, the rate of implementation will be decreased appropriately. Receiving less than full funding will make it harder to achieve the Desired Range of Future Conditions called for in the plan. There will be a higher risk of more severe wildfires, reduced activity levels, and fewer restoration associated jobs. Reduced funding would also affect the predictability of goods and services from federal lands within the project area

Question 98. Does the plan have any tangible benefit if the agency is held at or below fiscal year 1998 levels?

Answer. Yes. There are at least three tangible benefits. First, land managers will know at the broad scale where they can invest the funding they get and make a difference, from both a biological and social/economic standpoint. In other words, they will have information that allows them to prioritize how money is spent in order to get the greatest return on their investment, or said another way, the biggest bang from their buck.

Second, this landscape strategy will better position the land management agencies, both Federal and State, to compete for watershed and fish/wildlife habitat restoration dollars from other funding sources. Having a strategy that shows how project level work can contribute to restoration of fish and wildlife or improvement of water quality throughout the Basin could be an effective tool for developing partnerships and obtaining additional restoration funding. Also, local officials and nonprofit organizations can target key lands for land improvement or protection to support land and community development efforts.

Lastly, the current interim direction will be replaced with a long-term strategy meeting the expectations of the courts.

See answer to question No. 93.

Question 99. What would be the consequences of not finishing this study and not issuing a record of decisions?

Answer. Management of BLM or Forest Service administered lands would be vulnerable to legal injunctions. Interim strategies (such as PACFISH, INFISH, and Eastside Screens) would be vulnerable to lawsuits since recent court rulings (see answer for S–093) expect the Project to replace the interim strategies with a long-term strategy. Without a long-term strategy, endangered species consultations on land management plans for Snake River sockeye and spring/summer and fall chinook salmon would be moot, and the agency would be exposed to the same vulnerability to wide-ranging injunctions. Resolution of these injunctions would likely be difficult because of the lack of a consistent strategy for species protection across the range.

The release of the Project's scientific reports creates a situation where the BLM and National Forests must show they have taken the new information into account in their decisions on individual projects (like timber sales) or on updates to their land use plans. For the latter, there will need to be a consistent interpretation of the information, or the agencies will be exposed to legal challenges based on eventual inconsistencies of using the science. The risk of inconsistent interpretation of the science can be avoided by completing the EISs and issuing a Record of Decision.

Question 100. What value will the science conducted to this point in developing the DEIS have if the project is terminated?

Answer. The science conducted thus far adds to our overall understanding of the biological systems we manage and the social and economic systems that depend on them. The science portion of the Project has developed three major pieces of work: A Framework for Ecosystem Management, the Integrated Assessment, and An Assessment of Ecosystem Components. These documents bring together the most current information on biological, social and economic conditions within the interior Columbia Basin, and in particular information important to federal land management.

The primary focus of the science effort has been at the Basin scale so federal land managers could develop strategies to address basin-wide problems.

The Framework and the Science Assessment describe the biological and social/economic risks and opportunities that exist within the Basin. Managing the risks and opportunities is the point of BLM and Forest Service management. In this sense then the agencies have the opportunity to be more efficient and effective in their management. The science will be valuable for future decisions at multiple scales.

If the Project's Final EIS and ROD are not the decision mechanism to address the broadest scale of risk and opportunities, it leaves a void at this scale. This result would leave as unsettled the issue of a strategy to manage risks to listed fish species, old-growth dependent species, and forest and rangeland health within the Basin.

Question 101. What factors contributed to the wide breadth that this study is covering? Why is it addressing every issue under the sun including those which would be addressed by local forest plans?

Answer. The Project is focusing on a number of issues, such as the viability of wide ranging wildlife and fish species and forest and rangeland health, that transcend forest and BLM district boundaries. We will not address those issues most appropriately dealt with at the local level.

Question 102. Couldn't some of these issues be addressed in different ways than through this massive analysis and thousands of pages of material which is too complex for most people to comprehend?

Answer. If it were not for some overarching issues like forest health or managing anadromous fish populations, we might be able to plan at a different level. However, as Judge Dwyer pointed out in his ruling on the Northwest Forest Plan "given the current conditions of the forests, there is no way the agencies could comply with the environmental laws without planning on a ecosystem basis." Given this interpretation, we believe such issues as forest health and anadromous fish populations could not be effectively or efficiently addressed by plan or project level decisions.

We will learn from this experience so that future landscape and ecosystem plans will be more expeditious and cheaper to complete. Also, the Project needed to establish a foundation or resource conditions, which, apart from some timber health measures, have not been systematically pursued in most forests. This data will become part of the on-going survey data collected by the federal agencies. This database will allow future ecosystem plans (and forest plans in general) a giant headstart.

COUNTY STABILIZATION

On April 2, the Department of Agriculture forwarded to the President draft legislation to establish a stabilized level of payments to States for distribution to counties in which National Forest are located. The Administration states that the purpose of this legislation is to provide counties with a predictable level of payments in lieu of the dramatic reductions most counties have sustained over the past several years.

Question 103. Is this proposal an Administration effort to use the stabilization plan as a politically palatable way to further reduce the planned timber cut from National Forests?

Answer. Implementation of the payments to States stabilization proposal should have no effect on the timber sale program. Decisions regarding the timber program will continue to be made independently of the payments to States funding as they have in the past.

This proposal does not have the support of local county governments, which see it as a form of welfare that can't even begin to compensate counties for the loss of an industry which provided jobs in addition to reasonable levels of county payments from federal receipts.

Question 104. How does the agency respond to this criticism?

Answer. With revenue collections declining, States and counties are receiving fewer and fewer dollars from the Federal government. Payments to States funding has declined 35 percent (from $361 million down to $233 million) since 1989. The payments to States proposal will provide stabilized payment levels independent of local employment issues. This stabilization will provide local communities improved knowledge of future payments, permitting better planning and enhanced rural development efforts. Furthermore, this proposal will provide a permanent replacement for the special payment guarantee, which expires in 2003, for counties affected by the northern spotted owl decisions.

FOREST SERVICE RESEARCH

This Subcommittee was generous to the Forest Service Research program in fiscal year 1998. In fact the program received an increase of $8 million over the President's request. In fiscal year 1999 the President's request calls for an increase of $10 million.

Question 105. Is the Forest Service using these significant increases to conduct research in areas that will actually result in on-the-ground management that increases multiple use?

Answer. The primary strength of Forest Service Research & Development is developing land management options for solving complex forest and rangeland problems associated with multiple use. A majority of our research program has as the ultimate objective, options for on-the-ground multiple use management of the diversity of natural resources on forest and rangelands in the Nation.

The $8 million increase provided by the Subcommittee in fiscal year 1998 is allocated for, and addresses the following multiple uses:

—$1.6 million across all Research Stations and their programs to partially cover fixed cost increases. $3.0 million to enhance and conduct the on-the-ground Forest Inventory and Analysis (FIA) program. This funding was allocated as follows: Southern Research Station ($2,000,000); Northeastern Station ($155,000); North Central Station ($550,000); Rocky Mountain Station ($175,000) and Pacific Northwest Station ($120,000). The focus of these funds is to expand the development of our annual inventory system, which if completely funded and developed should result in an FIA cycle averaging 5-years and to continue to integrate our Forest Health Monitoring (FHM) system plots with FIA as well as expanding the suite of data collected and analyzed to provide a more complete understanding of ecological conditions and trends in forest health. This inventory is the primary source of information used by states, industry and the Forest Service to assess current conditions and trends in the nation's forest resources. While FIA focuses primarily on inventorying the Nation's timber resources, it does inventory other vegetative and habitat cover. The integrated FIA and FHM system will further concentrate multiple use resources as well as forest health.

—$1.0 million to Rocky Mountain Research Station: $700,000 to address the need for effective and economically efficient ways to reduce fuels and improve forest health within the southwestern wildland/urban interface; and $300,000 to carry out research studies to find applicable forest and rangeland management treatments needed to restore forest health and ways to monitor the effectiveness of these treatments. This research supports the Forest Service Region 3 southwest wildland ecosystem restoration project in AZ and NM.

—$500,000 to the North Central Research Station to enter into a collaborative partnership with Purdue University, the Indiana Department of Natural Resources, and private industry to establish a Fine Hardwoods Tree Improvement and Regeneration Center. The focus of the Center's research will be on finding management techniques to curb the decline of fine quality hardwood forests and improve forest health in the central hardwoods region of the U.S.

—$450,000 to the Pacific Southwest Station to support the Institute of Pacific Islands Forestry in Hawaii. These funds will support studies aimed at: restoring and protecting Hawaii's native forests to provide economic and environmental benefits; controlling exotic plants that threaten Hawaii's native forests; and providing effective management techniques to manage and protect Hawaii's coastal wetland forests which provide wood, clean water and aquatic resources for people.

—$1,500,000 to the Pacific Northwest Station to initiate long term integrated studies to evaluate methods to improve management compatibilities among multiple uses on Federal Lands. Through new and existing studies they are focusing on key management and economic issues that provide opportunities for producing wood as-well-as create, restore, and maintain wildlife habitat, biodiversity, watershed and aesthetic values.

The $10 million increase requested in the fiscal year 1999 President's budget also addresses needs of on-the-ground management for multiple use.

$6.0 million across Stations for further expansion of the annual inventory to move toward 5-year cycle of the Forest Inventory and Analysis program and integrate and expand the Forest Health Monitoring program on public and private lands of the U.S.

$1.0 million to address information needs for implementing the Interior Columbia Basin Ecosystem Management Project (ICBEMP). Research will evaluate on-the-ground management activities to better apply prescribed fire, modify grazing systems, control noxious weeds, apply silvicultural treatments, and find effective indi-

cators that the Basin ecosystems remain sustainable under the demands of various multiple uses.

$3.0 million to develop economically feasible and efficient technology to help industry and the people of the U.S. understand, adapt to, and mitigate the potential impacts of climate change, i.e., how people can help reduce greenhouse gasses and carbon dioxide emitted by the use of fossil fuels; and how people can help store carbon by using more durable and longer lasting forest products in their homes and businesses.

Last year this Subcommittee provided an additional $1.5 million to the Pacific Northwest Research Station without specific earmarks; only emphasizing the need to increase emphasis on commodity outputs.

Question 106. How has that money been used for this purpose?

Answer. Following the guidance of Senate language for the fiscal year 1998 Appropriation, the $1.5 million has been used to initiate long term integrated studies to evaluate "improved methods of increasing commodity production in an environmentally acceptable manner." This is being accomplished in collaboration with institutions such as the University of Washington's Center for Streamside Studies and the Washington State Department of Natural Resources through the Station's Initiative: "Compatibilities between wood production and other forest values and uses on Federal Lands." Through new and existing studies we are focusing on the key issues that provide opportunities as well as remove barriers to producing wood while creating or restoring wildlife habitat, biodiversity, watershed and aesthetic values.

Additional funds were provided to study methods for utilization of small diameter timber on the Colville National Forest and to initiate a comprehensive small diameter utilization study in Southeast Alaska.

Question 107. What is the status of these projects?

Answer. Significant research work is already underway in Southeast Alaska, Western Washington, and Western Oregon to address several key concerns of federal, state, and private land managers. Work has been initiated to evaluate impacts of alternative silvicultural treatments on wood quality in young growth stands, particularly for upland riparian forests, a topic of high priority for private industry in the Douglas-fir region as well as the coastal western hemlock type. Modeling capabilities are being accelerated to better link management alternatives with desired outcomes at multiple scales. In particular, forest vegetation simulation models are linked with visualization and digital elevation modeling to address commodity production while maintaining wildlife and anadromous fish habitat. The necessary cooperative agreements with regional universities are also being drawn up and expect to be in place by beginning of fiscal year 1999.

Question 108. When can we expect to see on-the-ground management results from these funds?

Answer. A complete Problem Analysis will be finished by the end of this fiscal year (FY 1998). Where as most of fiscal year 1998 and fiscal year 1999 will see completion of several "synthesis" types of products as a follow-up to the Problem Analysis as well as initiation of work by the universities, the bulk of the information will be summarized after 3 to 5 years. However, we will complete some near term products (e.g., on wood quality) that will be made available to land managers early next year.

Question 109. How is the Chief personally involved in setting priorities for the Research program that will ultimately lead to increased multiple use management on the ground?

Answer. The Chief sets his priorities for the Forest Service organization. He has clearly set there priorities out through the FS NRA and the Agency's Result Act (GPRA) strategic plan and annual performance plan. He conveys these priorities through continuous written and verbal dialogue with his Deputy Chiefs and other top leadership team members. The Deputy Chief for R&D has two major responsibilities relative to setting priorities. One responsibility is to maintain constant dialogue with the Chief and carry his messages and priorities to the Research leadership, who are responsible for implementing these priorities at the field level. A second responsibility for the Deputy Chief is to convey to the Chief what Research leadership views as science priorities. Scientists and Forest Service R&D are responsible for staying at the cutting edge of science and looking strategically ahead at what issues and problems may occur in the future.

Beginning in fiscal year 1995, Research scientists provided extensive support to revision of the Tongass Land Management Plan in Alaska. Research support to the Alaska Region continues today as post-plan activities are conducted. Based on findings by GAO, the Forest Service was unable to document if Research funds were used to support this effort; which would have been improper. Despite agency direc-

tion in 1997 to strictly document such jointly funded projects, GAO found that the agency's 1998 final budget allocation failed to comply with this requirement.

Question 110. Does the Forest service recommend that small hydro projects be removed from the President's Forest Plan in light of the fact that (1) Option 9 was designed for large-scale forest management, not small hydro; (2) the Forest Service is not acting on hydro matters; (3) the FERC has jurisdiction to declare consistency with National Forest use; and (4) Option 9 and the Federal Power Act cover much of the same subject matter?

Answer. Since the completion of an audit by OIG in May, 1995, the Forest Service has worked diligently to respond to the findings from the report. A complete copy of the audit findings was provided to all Stations in July 1995. One of our first accomplishments was based on Finding No. 3 "Controls Needed to Ensure Federal Procurement Regulations are Followed for External Research Organizations," and Recommendation 3b of the OIG Report, which directed research stations to document the source of funds for cooperative agreements. The majority of the issues identified has been accomplished by updating and providing further guidance to project managers through the Forest Service Manual and Handbooks, Interim Directives and Management Reviews. In addition, Forest Service Research provide guidance to the Stations in the Explanatory Notes and Program Budget Advice. These systems in place serve as the basis for internal management and control of Forest Service Research programs and the primary source of administration direction to all Agency employees.

Question 111. If the Forest Service does not recommend that small hydro projects be removed from Option 9, what changes in the Plan should be made to expedite approval of such projects in a manner that does not penalize hydro developers?

Answer. All Research Stations have been directed to have in place a procedure to document the source of funds for cooperative agreements, as well as a process to review them for proper authority. For example, we have established a procedure and template form for documenting research and collaborative agreements, which includes detailed instructions and examples.

Forest Service Research will continue to work on providing the appropriate information and training to project managers to further their understanding of appropriation law and the authority that accompanies it.

In addition, as stated above, the Forest Service Manuals, Interim Directives, Explanatory Notes, and the Program Budget Advice provides guidance and directions for the entire Research program.

Congress provided funds in the fiscal year 1998 appropriations process to study methods to utilize materials removed during hazard reduction operations. This is particularly important as urban population expands deeper into forest lands.

Question 112. What is the status of these efforts?

Answer. The Joint Interagency Fire Science Program was initiated in fiscal year 1998 to provide research, development, and application support for expanded fuels management activities on federal lands. Activities will include: assessment of fuel hazard problems; ecological, environmental, and socioeconomic effects of fuel management treatments; strategies for treatment scheduling; and monitoring of treatment effects. The Forest Service contribution to this program is $4 million in fiscal year 1998 and proposed at $4 million in fiscal year 1999. This funding is part of the Wildland Fire Management Fire Operations budget.

Question 113. How will the Forest Service apply these efforts to actual on-the-ground activities?

Answer. The activities listed for the Fire Science Program are intended to provide managers information, data, models, and process for implementing the fuel management program. Of particular importance is the prioritizing of projects and the effects of treatment activities which will be used by local mangers to determine a planned fuel management program and for the allocation of budget and targets based on the assessment and national priorities.

MINERALS AND GEOLOGY

In 1982, Congress authorized the Mount St. Helens National Volume Monument. The exchange of surface and minerals with private landowners was to be completed within a year after the act was signed. However, approximately, 10,000 acres of private minerals remain stranded in the monument area. Legislation has been introduced that would complete this minerals exchange. However, the Subcommittee prefers that this issue be worked out between the agencies involved (Forest Service and BLM) and the affected companies (Weyerhaeuser and Burlington Northern).

Question 114. What is the status of this issue?

Answer. Since 1982 we have been negotiating with Weyerhaeuser and Burlington Resources (formally Burlington Northern). We reached agreement on land and mineral exchanges resulting in the acquisition of 27,106 acres of surface and 19,234 acres of subsurface interests within the Monument. The most recent agreement was in 1991, when we acquired 18,051 acres of mineral and geothermal interests through exchange.

As evidenced by the previous accomplishments, we believe that we can continue to operate as provided in the Act under "voluntary exchange transaction" as a means to acquire the remaining 10,750 acres of mineral and geothermal interests.

We recently completed a new appraisal to estimate the current market value of the remaining 10,750 acres.

We initiated negotiations on April 1, 1998, with both companies in an attempt to reach agreement on the current market value of the remaining non-federal subsurface interests. Two follow-up negotiation meetings are scheduled during May 1998.

If accomplished, our objective will be to develop a final exchange transaction as a means of acquiring these property interests.

FINANCIAL MANAGEMENT

As part of the fiscal year 1998 Senate Appropriation Act report language, the agency was directed to provide a status of the Brush Disposal fund. In past years this analysis would include the cost of Brush Disposal work to be performed so that available cash on hand and to be collected could be compared to the cost of performing the work. Maintaining information on the cost of work to be performed has been discontinued.

Question 115. Why is this figure no longer reported?

Answer. Current direction to the Regions concerning management and accountability of Brush Disposal funds has been inadequate. In fiscal year 1998 the Forest Service has drafted Handbook procedures to manage and account for Brush Disposal funds similar to the procedures used for KV and Salvage Sale Funds. This draft policy and procedures will be fully implemented by October 1, 1998. As such, in fiscal year 1999 the Forest Service will be able to analyze the Brush Disposal funds for each proclaimed National Forest to determine available cash on hand and to be collected and compare these costs to the actual costs of performing the work.

Question 116a. How does the agency know the full status of its fund if it does not maintain this information?

Answer. The Forest Service has recognized its deficiencies in the management and accountability of Brush Disposal Funds. The new policy and procedures that will be issued in fiscal year 1998 will improve the agency's management of these funds.

Question 116b. Is there a similar deficit of information regarding KV funds?

Answer. No. KV funds can be analyzed for each proclaimed National Forest to determine available cash on hand and to be collected and compare these costs to the actual costs of performing the work.

STATE AND PRIVATE FORESTRY

Question 117. How will assumption of the Rural Community Fire Protection program enhance services provided by the Forest Service in overall Cooperative Fire Protection program?

Answer. Assumption of the RCFP program will increase efficiency of overall program management by eliminating the transfer of funds between two federal agencies. This should decrease the administrative workload and allow maximum allocation of dollars to the project level. By having responsibility of the program budget and development, the Forest Service will be more effective and efficient in planning cooperative fire protection activities with States and rural volunteer fire departments and determine assistance needs and priorities. By accomplishing the program objectives of assisting local fire departments to train, equip and organize, the Forest Service will benefit through the increased firefighting capability of its cooperators in the wildland urban interface.

Question 118. To what extent are State and Private programs involved in Agroforestry issues such as development of specialty products such as mushrooms, ginseng, etc?

Answer. The National Agroforestry Center (NAC) which is co-sponsored by State and Private Forestry, has developed and distributed brochures on agroforestry and its relation to agriculture on a very wide variety of topics. The NAC is participating in the Enterprise Development Through Agroforestry conference, October 4–7 in Minneapolis, Minnesota. The primary purpose of this conference is to promote agroforestry for the production of crops, including mushrooms, ginseng and others. The

NAC activities and programs are technical transfer of materials to natural resource professionals that deliver forest stewardship, urban forestry and economic assistance programs to the general public.

Recently an "Action Strategy" was developed for the State and Private Forestry program.

Question 119. How will this program change emphasis from existing programs?

Answer. The emphasis on existing programs will not be reduced. Several issues will have emphasis, such as sustainable natural resources and communities, watershed issues, and conditions; urban forest resources, forest information for landowners and managers, and tribal government relations.

Question 120. How will this "action strategy" affect future budget requests?

Answer. The "action strategy" draws from a number of sources including the President's Clean Water Initiative, as well, as the findings and recommendations of the November 1997 National Research Council Report "Forested Landscapes in Perspective: Prospects for Sustainable Management of America's Non-federal Forests." This study was commissioned by the Forest Service to assess the status of the nation's non-federal forests and the role of the Federal Government in contributing to sustainable management on non-federal lands. In the coming year, we will develop specific and detailed costs to implement the Action Strategy for inclusion in future budget requests.

ALASKA SUBSISTENCE

Question 121. What is the current situation in Alaska regarding fish and wildlife management, and how does this potentially affect future Forest Service programs?

Answer. In December 1989, the Alaska Supreme Court found the State's subsistence law unconstitutional in its decision in *McDowell* v. *State of Alaska.* The court held that the rural preference for subsistence uses violated the Alaska Constitution. This decision placed the State out of compliance with the Alaska National Interest Lands Conservation Act (ANILCA) Title VIII. As a result, since 1990 The Department of the Interior and The Department of Agriculture (Forest Service) have had management responsibility for subsistence hunting, fishing, and trapping on Federal public lands in Alaska. Up until now the focus of the program has been mainly on upland animals with very little fishery involvement. The costs associated with these federal subsistence management responsibilities have had budget impacts on Forest Service wildlife habitat management activities.

Question 122. What will it cost to implement the extended federal fisheries jurisdiction regulations in fiscal year 1999 and how much of this is included in the President's request?

Answer. The USDI and USDA have identified fiscal year 1999 funding needs of $9.5 million to initiate the additional subsistence management effort in Alaska, including program administration, resource monitoring and law enforcement. Of this amount, $3,000,000 would be for the Forest Service. These estimates recognize the current Congressional moratorium will expire on December 1, 1998, and that fiscal year 1999 would fund start-up costs and operational costs for the remainder of fiscal year 1999. There are currently no funds identified in the President's 1999 budget to extend federal fisheries on national forest system lands in Alaska; however, offset recommendations are being developed.

Question 123. What does it cost the Forest Service to manage the current subsistence priority requirements of ANILCA?

Answer. Managing current subsistence hunting fishing and trapping on National Forest System lands in Alaska is estimated to cost between $3,500,000 and $4,500,000 annually exclusive of expanded jurisdiction for fisheries in navigable waters.

Question 124. What factors account for the cost to implement subsistence fisheries requirements of ANILCA on Forest Service lands?

Answer. Expanding Federal subsistence priority and conservation requirements of ANILCA Sections 801 and 802 to fisheries in navigable waters will require the Forest Service to initiate significant new actions including developing and modifying fisheries harvest management plans, making annual projections of returning fish runs available for harvest in hundreds of streams and lakes, projecting annual subsistence harvests in those waters, issuing federal permits and monitoring subsistence harvest, implementing numerous closures in order to protect the conservation requirements of spawning fish, law enforcement, legal support services, and operating the annual administrative and public involvement processes for modifying and establishing annual subsistence fishing regulations. These are new and unprecedented requirements of the Federal government, requiring new expertise and administrative procedures.

Question 125. Should one federal agency be responsible for management of subsistence requirements? What are the pros and cons of such single agency management?

Answer. The U.S. Fish & Wildlife Service, National Park Service, Bureau of Land Management, Bureau of Indian Affairs, Office of the Solicitor, the Forest Service and Office of General Counsel for USDA are the federal agencies responsible for working together effectively to manage subsistence hunting and fishing on Federal public lands in Alaska. The U.S. Fish & Wildlife Service is the lead agency. Rural residents, including Alaska Natives, look to the local federal land management agency for help and leadership in providing subsistence resources and opportunities and willingness to collaborate locally. It was determined in 1990 that all of these federal agencies should have a role in managing these resources and activities on the lands for which they have responsibility because (1) wildlife and fish and their harvest are essential to rural residents (2) subsistence is closely tied to other federal land management activities and (3) federal laws convey land management responsibilities to federal agencies, Infrastructure required to manage wildlife and fish on the various federal public lands reside with the federal agency managing those lands. Requiring one federal agency to obtain the additional personnel and equipment to duplicate some already available with the individual federal land management agencies would be unnecessarily costly. This would also diminish the community relationships each agency desires and needs to carry out an effective resource program.

GPRA

The agency is receiving extensive criticism regarding its budget structure. It seems clear that agency concurs that much of the criticism is valid.

Question 126. How will GPRA influence revision of the budget structure?

Answer. The way the agency portrays its mission, goals and objectives in its GPRA Strategic and annual Performance Plans will play an important role in future proposals to adjust our budget structure. Our current budget structure is complex and functionally oriented, containing over 60 accounts from which we are authorized to spend funds. Our current GPRA structure of strategic goals and objectives is simpler but quite different from our budget structure. However, as an agency, we have not yet determined if the current GPRA structure is the best way to portray our mission and what we're about. Several proposals to modify this structure are being evaluated as we develop the fiscal year 2000 Performance Plan and take the first steps towards revising our strategic plan. We expect the GPRA structure to evolve as we continue to clarify our mission, roles and responsibilities; gain new information; and meet the performance-based and financial requirements of the GPRA and the Chief Financial Officers Act. Any proposal to modify our budget structure will reflect an evaluation of these and other issues in consultation with the Congress.

Question 127. How does implementation of the Chief Financial Officers Act affect probable revisions of the existing strategic plan?

Answer. The Chief Financial Officers (CFO) Act requires federal agencies to develop integrated accounting and financial management systems to provide complete, reliable, consistent and timely financial information, and to use financial information for measuring performance. The Government Management Reform Act (GMRA) requires that the Forest Service submit audited financial statements to OMB each year. These statements must meet the accounting principles and standards issued by the Federal Accounting Standards Advisory Board (FASAB) and OMB. To meet these standards, the Forest Service must identify an information and reporting structure that best reflects and meets its financial information needs. This structure should reflect the way the agency portrays itself through its mission, goals, objectives and performance indicators which would necessitate an alignment with the information produced under the requirements of GPRA. While the structure of the agency's GPRA plans will continue to evolve for a variety of reasons (see answer No. 126 above), one of the factors that may affect the structure and will help to assess the effects of any future structural changes, will be the agency's need to collect and report accurate financial information.

The GAO testimony provided to the House of Representatives states there is no clear link between the Forest Service's ecosystem-based goals and objectives and its budget line items, funding allocation criteria, and performance measures.

Question 128. What are the next steps in refinement of the agency GPRA program and specifically efforts to integrate and modify the budget structure to accurately represent the work the agency accomplishes?

Answer. The Forest Service GPRA Strategic and Performance Plans include goals and objectives covering all agency programs and funding sources. A cross-walk be-

tween the agency's budget structure and GPRA goals and objectives has been developed to facilitate the linkage between planned levels of performance and associated funding needs. The complexity of this cross-walk highlights the significant differences between our GPRA and budget structures and the need for some adjustments in one or both. The agency is currently developing the fiscal year 2000 annual Performance Plan and is formulating plans for revising its strategic plan by September 30, 2000. Both of these efforts are focused on how to describe, quantify and prioritize the agency's goals through the objectives and strategies for achieving them. These efforts should result in a clearer focus on how the agency wishes to portray its mission and business and form the basis for a proposal to modify our budget structure, as well as align our resource and financial information structures. The first iteration of the agency's fiscal year 2000 Performance Plan will accompany the agency's budget proposal to the Department of Agriculture in July, 1998. The agency will incorporate as many of the changes included in this Plan as possible into the final fiscal year 1999 Performance Plan that will be updated after we receive our budget from the Congress this Fall.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question 129. We have received mixed signals from the Administration on the Franklin County Lake. Will you please tell me what is the position of the Forest Service on this project?

Answer. This project, the Recreational Lake and Complex at Porter Creek, Franklin County, Mississippi, Homochitto National Forest, Homochitto Ranger District, was initiated by the community leaders in Franklin County, MS. They have tried for 30 years to secure federal funding to build a 1,100 acre lake to provide recreation and water supply for the area. The community leaders requested that the USDA Forest Service assist them in improving the rural development and economic diversity of the area.

This project could create private sector business opportunities, assist existing local businesses, improve water quality by remeding raw sewage flow into Porter Creek, and prevent addition head-cutting of streams in the watershed. They are now attempting to leverage state and federal funds. It is estimated that over $12 million will be needed for construction of the dam, contract administration, and surveying and mapping of the lake cross sections and pool levels.

This project is new construction. New construction is not a priority for the Agency at this time, as we attempt to focus resources on the backlog of reconstruction needs. The Agency priority continues to be on capital investment priorities which emphasize reconstruction of health and safety issues, water and sanitation projects, and recreation backlog, rather than new construction. New construction adds to out-year operation and maintenance costs and it is unlikely that additional O&M funds can be provided from the national level in the outyears to support these new facilities and structures coming on-line. In the case of a dam, the maintenance and reconstruction costs in the future can be significant, along with the liability issues. Based on previous data for dams in the Region (and none are the size of this one), it is estimated that annual O&M costs will be about $75,000. In general, the project appears to be more of a locally oriented responsibility, rather than a priority Federal goal.

The National Resources Conservation Service received $250,000 in fiscal year 1996, $550,000 in fiscal year 1997, and $3,000,000 in fiscal year 1998 to accomplish design, technical assistance, and complete construction documentation on this project. This Agency is experienced with the construction and reconstruction of dams. The Forest Service will partner with them to do the actual construction if this project is directed, earmarked, and additional funding is provided.

In fiscal year 1998, Congress earmarked $1 million in the Forest Service budget for Franklin County Lake. These funds would have been used to obtain detailed survey information for planning (topographic survey of dam, basin and developable area and detailed soil surveys of developable area above pool level), search out and cultivate interest in Private/Public Venture prospects to build the recreational facilities, develop conceptual development plan with input from private partners that might be interested, advertise for formal partnership and with any available remaining funds, and partially fund Forest Service share of construction and design costs. This funding does not provide for dam construction, which is estimated at approximately $12 million. This line item was vetoed by the Administration and were not provided.

Chief Dombeck, it has been brought to my attention that there needs to be an increase in the transfer of technology to assure that small businesses are not only

made aware of Forest Service research conducted but that the research results are transformed into practical management guidelines. Specifically, the National Hardwood Lumber Association, representing a number of my constituents, has identified this concern and has offered to assist in the dissemination of information.

Question 130. Is there a way that a formal cooperative effort could be developed between groups such as the National Hardwood Lumber Association and the U.S. Forest Service to provide a pipeline for this information to reach the user and not remain shelved at the agency?

Answer. Forest Service Research and Development has many publications in the area of forest management. Notification of the availability of these publications is disseminated by our Research Stations on a regular basis, through newsletters, publication lists, e-mail, and on computer Web Pages. Availability of many of the latest FS R&D publications is also listed in the monthly Society of American Foresters, Journal of Forestry under the Forestry Reports—New Releases. We also transfer information to organizations such as the National Hardwood Lumber Association by actively participating in their technical meetings and workshops, thus reaching many small businesses and their managers directly. In addition, a Forest Service staff member serves on the NHLA Standing Committee on Hardwood Research Advisory Committee. We welcome more formal cooperation and are willing to work with the Hardwood Lumber Association to increase their awareness of the availability of our information and publications.

There is a growing concern in Mississippi over bottomland hardwood forests and associated farmland, especially in the Delta. This concern is twofold with concern over the long-term sustainability of the forests and their many products as well as concern over how to reforest cropland especially in the Wetlands Reserve Program and similar programs.

Question 131. What is the Forest Service Research doing now to help landowners in the Delta restore and protect bottomland forests, wildlife, fish and mussel population, and develop revenue potential from these lands from recreation and forest commodity values?

Answer. Forest Service Research has the Center for Bottomland Hardwoods Research located mainly in Stoneville, MS with subunits in Oxford and Starkville. This research unit is multidisciplinary with scientists working in the areas of forest management, wildlife and fisheries, soils, hydrology, seed biology, insects and diseases. These scientists work together and in collaboration with federal and non-federal partners to address forest susceptibility, restoration and protection including wildlife and fisheries issues. The capacity does not exist at the Stoneville unit to address socio-economic analyses but they work with other scientists in Southern Research Station to meet these needs.

Question 132. Is there more that could be done to provide answers and techniques to landowners to address these issues?

Answer. Yes, there are four areas in which we have the capability but lack sufficient funding to respond to these priorities:

—Hydrologic function;

—Restoration technology;

—Silvicultural guidelines and aquatic monitoring techniques;

—Socio-economic effects

However, these areas do not rank as the highest priorities for expanding our research.

There has been tremendous interest in the Wood Products Insects Research Unit in Starkville, Mississippi.

Question 133. What impact will implementation of the Food Quality Protection Act have on termiticides and other products used to protect wood products from insect damage?

Answer. The Food Quality Protection Act of 1996 is an amendment to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug and Cosmetic Act (FFDCA). It requires the Environmental Protection Agency (EPA) to apply new standards of safety, especially for children, in the registration of pesticides such as termiticides. It also requires the review of older pesticides to make sure they meet current standards.

EPA must review all existing tolerances within 10 years to determine that they impose a low risk for children and may require an additional safety factor of up to ten-fold, if necessary, to account for uncertainty in data relative to children. Thus, it is too early to tell what impact the Act will have on the registered termiticides.

Question 134. What role will this laboratory play in the testing of new products and the development of alternatives to existing products?

Answer. Currently, EPA relies on the USDA Forest Service Wood Products Insect Research Unit at Starkville, MS to provide reliable, independent laboratory and

field testing of the efficacy of potential termiticides. This involves two years of laboratory testing and at least five years of field testing at several sites in the US. This is to ensure that the chemical or non-chemical products submitted by developers to EPA for registration will protect the wood products and structures. This is an important service to the public so that they can be assured of reliable termiticides.

The Unit has a number of chemical and non-chemical products under field test now and we expect that these will provide an array of alternatives to the public.

Question 135. Please provide for the committee a five-year funding history for this unit.

Answer. The funding for the Wood Products Insect Research Work Unit at Starkville, Mississippi for the last five years is given below:

Funding history

Fiscal year:	
1994	$851,000
1995	1,027,000
1996	792,000
1997	792,000
1998	792,000

Question 136. Are there additional funding needs for this laboratory for fiscal year 1999 and beyond?

Answer. Sufficient funds are available in the President's Budget to fund this laboratory.

Hercules, Incorporated, which has facilities in Mississippi, uses pine stumps as a raw input for products it manufactures. This company is interested in procuring stumps from the Apalachicola National Forest.

Question 137. Is it possible for Hercules to purchase these stumps from the Apalachicola National Forest?

Answer. The only stumps offered for sale on the Apalachicola NF occur within a proposed road, facility or other planned construction.

Question 138. Are stumps offered under the same terms and conditions in timber sales?

Answer. No, the only stumps offered for sale on the Apalachicola NF occur within a proposed road, facility or other planned construction.

Question 139. If not, why not and under what statutory authority is this denied?

Answer. A decision notice and finding of no significant impact amending the Appalachicola Forest Land and Resource Management Plan, signed 7/12/91, restricted harvesting of stumps to the areas within a proposed road, facility or other planned construction. This amendment was developed in accordance with the National Environmental Policy Act and the National Forest Management Act of 1976.

QUESTIONS SUBMITTED BY SENATOR LARRY CRAIG

SNAKE RIVER ADJUDICATION

Question 140. How much time and money has been spent on the Snake River Basin Adjudication and the Forest Service water claims?

Answer. While the Forest Service does not know the total expenditures by all parties on this adjudication, it estimates that about $10 million has been spent on its own claims since the State initiated this adjudication in 1987.

Question 141. Who did the claim work for the Service and how many claims were filed?

Answer. Forest Service field employees on 11 National Forests and two Regional Offices did the vast majority of the claim preparation work from 1987 to present. In addition, since 1995, eight non-Forest Service experts have been contracted to perform various analyses and quality control checks on the Forest Service claims and supporting data, and to prepare for trial scheduled in September 1998 by the head water judge. In 1993, the Forest Service filed some 12,054 consumptive use claims and 3,759 instream flow claims. The latter have since been reduced to 71 claims.

Question 142. For what purposes are the water claims made?

Answer. The consumptive use claims were made for one or more of the following uses: domestic water, irrigation of hay, municipal, industrial, commercial, recreation, fire protection, stockwater, hydropower. The original set of instream flow claims were made for one or more of the following uses: fisheries habitat, recreation, channel maintenance, wild and scenic rivers, wilderness, National Recreation Areas

and maintenance of hot springs and lake levels. The reduced set of instream flow claims now includes only fisheries, recreation, channel maintenance, wilderness, wild and scenic rivers, and National Recreation Areas.

JETBOATS IN HELLS CANYON

Public Law 94–199, designating the Hells Canyon National Recreation Area, was enacted December 31, 1975. Section 10 of that Act provides that motorized river craft are recognized as a valid use of the Snake River within the recreation area. This language seems clear. However, the original intent seems to have been forgotten. The Forest Service has announced its intent to implement a "motorless window" on segments of the Snake River through Hells Canyon beginning this summer.

Question 143. Contrary to the intention of the original Act, why does the Forest Service persist in closing the river to motorized users?

Answer. The Act allows for motorized use of the Snake River in Hells Canyon, but also directs the Forest service to administer this as well as provide for other uses. The actual restriction is quite small, only on 21 miles of the 31.5 mile "wild" section for a maximum of 21 days per year. The new river plan actually provides for an increase in motorized use. All river portals will remain open to powerboats 365 days per year. When the non-motorized days are in effect, there will still be 50 miles of river available for powerboats.

Question 144. There are numerous western whitewater rivers, several in Idaho and Oregon, which provide exclusive use for non-motorized floaters. Why is it necessary to force that same type of recreation use in Hells Canyon?

Answer. The non-motorized period is in response to a distinct group of regional and national customers who indicated a preference for some level of non-motorized opportunity. The actual effect of the non-motorized period on motorized use is small. During the annually maximum 21 days of the period, there will still be 50 miles of river available for powerboats.

LEWIS AND CLARK TRAIL

I understand the Forest Service is currently developing a strategic plan to participate in the upcoming Lewis and Clark Bicentennial Observance from 2003–2006. I hope funding to implement this plan will be a priority within the FS budget.

Question 145. How is the Lewis and Clark Bicentennial addressed within the Forest Service budget?

Answer. Region 1 is actively planning for the Lewis and Clark Bicentennial, working closely with the Salmon Forest in Region 4. A draft strategy has been formulated to identify all the many ways that the National Forests may participate with the States, local communities and tribal governments in appropriately commemorating the Bicentennial. A Forest Service bicentennial coordinator has been appointed to insure that our plans are well coordinated with the National Bicentennial Council's plans and that our investments in preserving trail resources and accommodating trail visitors leave a lasting legacy that extends well beyond the Commemoration years of 2003–2006. Each Forest is also actively participating in local community bicentennial planning efforts. Our preliminary conclusions include:

—Lewis and Clark Bicentennial will affect National Forests in Regions 1, 2, 4, 6, 8, and 9 with most direct on-the-ground opportunities centered in Regions 1 and 4, particularly in North Dakota, Montana and Idaho.

—Many challenges and opportunities can be addressed by careful priority setting within existing funding criteria and allocations, however some potential projects and programs will not be feasible without national emphasis to target increased funding to the affected forests.

—Many Forest Service programs will contribute to the Bicentennial. State and Private Forestry grants can assist rural communities in planning and carrying out their commemorative activities. Heritage Program funding can make necessary historic and archeological studies possible. Recreation funded programs will both insure that visitors find appropriate facilities and that fragile locations are not over used. Construction projects will make sure that roads, trails and campgrounds are open and in tip top shape for the beginning of and throughout the Bicentennial.

—Most of the infrastructure needed is already in place though many existing facilities need to be spruced up or replaced. A few new facilities have been proposed for construction. Interagency and public private partnerships are key to meeting infrastructure needs.

—Funding projections and needs are still very preliminary, but should firm up by the end of fiscal year 1998.

In Summary the Forest Service is planning for the Bicentennial. We are committed to providing necessary focus to insure National Forests along the Lewis and Clark Trail can do what is necessary to protect resources, accommodate increased visitation, and support local community events. While we haven't all the final answers on how to fund many opportunities we expect to continue to seek effective partnerships to allow the completion of highest priority projects.

FRANK CHURCH WILDERNESS DEIS

The Forest Service recently released a Draft Environmental Impact Statement for the Frank Church River of No Return Wilderness. Most who use the wilderness agree it is in excellent condition and one of the best managed wilderness areas. A few changes were needed in the management of the wilderness, a tweak hear and a tweak there, but not a complete overhaul of the system. The extreme cut backs on access, such as a 50 percent decrease in float boating, could have devastating effects on the tourism and recreation industry in Idaho. I realize the comment period has been extended to give everyone an opportunity to voice their concerns.

Question 146. I would like a commitment from the Forest Service to work with the individuals most effected by their decision and develop a management plan that protects the integrity of the wilderness without severely restricting access to the resource for recreation and other purposes.

Answer. The Forest Service is strongly committed to working with individuals most effected by the proposals in the Draft Environmental Impact Statement for the Frank Church River of No Return Wilderness. This commitment is evidenced in the extension of the comment period, and the numerous public meetings and negotiations currently underway.

Cabin Fees on the Sawtooth National Recreation Area Many of the cabin owners on the SNRA protested the FS appraisal of the cabin sites and are having a second appraisal done at their own expense.

Question 147. When will the second appraisal be completed?

Answer. Approximately 87 permit holders on the Sawtooth have requested a second appraisal of approximately 18 representative, or typical, lots to formally dispute the findings of the Forest Service's first appraisal. The Forest Service has already approved the qualifications of 2 appraisers that holders have secured to conduct second appraisals on 10–12 typical lots. There may be more appraisers secured by permit holders for conducting a second appraisal and, if so, the Forest Service is committed to promptly reviewing the qualifications of those appraisers, and approving them for use by the holders.

The second appraisals now being planned are expected to be completed and submitted to the Forest Service for review and approval by August 1, 1998. The Forest Service will promptly review the appraisal reports upon receipt of them from the permit holders.

Question 148. Will the Forest Service wait to implement the new cabin fee until the second and if necessary third appraisal is completed?

Answer. Public Law 105–83 directed that the Secretary of Agriculture could not increase recreation residence fees based upon a new appraisal of a recreation residence lot any sooner than one year from the time the permit holder is notified by the Forest Service of the results of an appraisal which has been conducted for the purposes of establishing such a fee. It also specifically cited that no increases in recreation residence fees on the Sawtooth National Forest could be implemented prior to January 1, 1999.

The Forest Service notified the permit holders on the Sawtooth National Recreation Area of the results of its (the Forest Service's) completed appraisal of their tracts/lots in late 1997. In accordance with the provisions of Public Law 105–83, the Forest is planning to assess a new base fee for those appraised lots beginning with the fee to be billed for calender year 1999. CY 1999 fees will be assessed and billed in November, 1998, with a payment due date of January 1, 1999. As stated above, the permit holders expect to have the second appraisals completed and submitted to the Forest Service by August, 1998. The Forest Service will promptly review those appraisal reports. If they meet agency standards and the specifications provided the appraisers by the Forest Service, the reports will be approved for agency use.

Per agency policy, if the two appraisals result in estimated fee simple values of the appraised lots that differ by 10 percent or less (from the estimated value of the same lot(s) identified in the Forest Service's appraisal), then the authorized officer will have the discretion to use the estimated value identified in either appraisal report, or a combination thereof, in establishing a new base fee. If the Forest Service's appraisal report and the second report differ by more than 10 percent in value for

any particular lot/group of lots, then the Forest Service will instruct the first and second appraisers to meet in an attempt to reconcile their differences. If that is not possible, then a third appraisal may be secured, upon the approval and concurrence of both the authorized officer and the affected holder(s), with the cost of such an appraisal shared equally by each party.

For those recreation residence lots/tracts on the Sawtooth NRA that were appraised by the Forest Service in 1997, the Forest expects to have the appraisal process completed prior to its assessment and billing of fees for CY 1999. This appraisal process may not be completed in advance of our November 1998, billing of CY 1999 fees if (a) there are lots or groups of lots which qualify for a third appraisal, and (b) the holder(s) and Forest Service agree to secure a third appraisal. If there are cases like that, the Forest Service intends to assess and bill a new base fee for CY 1999 for those affected lots, even if the third appraisal(s) does not get done in advance of the CY 1999 billing period. The base fee that will be assessed for CY 1999 will use the estimated lot values identified in either of the first two appraisals, or perhaps a combination thereof. Should the results of a completed third appraisal subsequently produce a different base fee than that assessed for CY 1999, the resulting fee difference will be reconciled in an adjustment made to the fee assessed for CY 2000, scheduled to take place in November 1999.

INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PROJECT

Question 149. Many of my constituents feel that ICBEMP is bureaucratic boondoggle that would harm ranching, mining and logging. What are you doing to convince them that this is not the case?

Answer. We have met and talked with many people in the Basin that have concerns about the management of their public lands. The best way we can assure the continued use and enjoyment of these lands is to assure their continued long-term health. Healthy lands are productive lands.

Healthy lands also are better able to meet the legal mandates under the Endangered Species Act, the Clean Water Act and the Clean Air Act, to name a few. Short of this, lawsuits and injunctions generally result in more restrictive use of the land. By developing a proactive approach to dealing with these legal issues now, we can assure the continued use of these lands.

Question 150. You've indicated that the aim over the past four years is to develop a scientifically-sound management strategy. As best I can tell no progress has been made in achieving this objective. Why should the Congress continue to support ICBEMP when its track record to date is so poor?

Answer. The Project is well on the way to fulfilling the Charter given it by the Director of BLM and the Chief of the Forest Service in 1994. Although it has taken longer than initial estimates, much of the work is complete. The scientific assessment, on which we are building the management strategy, is complete. The Draft EISs containing the management strategy have gone through an eleven month public comment period that ended May 6, 1998. What remains is analyzing public comments, deciding what needs to be changed, and preparing a Final EIS and ROD. Unless there is some other way to address the legal problems of continuing to manage under interim guidelines of INFISH, PACFISH, and the eastside screens, we will find all projects and plans at risk of legal challenge.

Question 151. I understand that you intend to issue a final environmental impact statement in the spring of 1999. What assurances can you give the Committee regarding this date?

Answer. At this time, we feel confident that we will meet that timeframe. The one question that has not yet been answered is whether or not we may need to supplement the draft statement. This is a possibility, as it is with any EIS process. A supplement may be needed if substantial changes to the draft statement are made, based on input to the draft, or if there are significant new circumstances or information relevant to the proposed action. The purpose of issuing a supplement is to allow the public to respond to the substantial changes or new information.

If we determine it is necessary to supplement, it will delay the release of the final environmental impact statements and Record of Decision. The length of the delay will be determined by the type of supplement.

Question 152. The project has cost $40 million already. I find this to be an incredible waste of taxpayer dollars. Aren't you doing nothing more than through good money at a bad investment?

Answer. The broad scale issues we are addressing are either going to be addressed in this process or a process very similar to this. A case in point is developing a long-term aquatic conservation strategy to replace the interim direction in PACFISH and

INFISH. To start a new process or multiple processes seems less efficient and more costly than finishing the current process.

Question 153. Implementation costs have soared to an estimated $125 million annually, much of it for weed and erosion control, forest health and watershed management. In an environment of constant, real dollar agency budgets, are you prepared to cut other Forest Service programs to come up with this kind of money?

Answer. The estimated funding needed to fully implement the plan, you reference, were based on the preferred alternative (Alternative 4) in the draft statement. We expect there will be changes to the preferred alternative and that we will have to recalculate implementation needs.

Question 154. We've been told that timber harvest should increase slightly under the plan. My guess is that this conclusion does not factor in your roads moratorium. What are you prepared to tell us about the timber impacts of the roads moratorium on ICBEMP?

Answer. The Draft EIS contained direction which was similar to the proposed road management policy. The Draft provided strong direction for systematic road management and improved road maintenance. As we move toward a decision on the road management policy we are evaluating options that would allow the Forests covered under the ICBEMP decision to move forward without being subject to the moratorium once a Record of Decision is signed for the ICBEMP and plans are amended.

Question 155. Elizabeth Holms Gaar, the Assistant Regional Administrator of the National Marine Fisheries Service, has said that the new information contained in ICBEMP will allow agencies to "begin the restoration efforts with the confidence that many of our highly valued public resources need." But with new information at virtually ever bend in the road, how will this planning process ever be brought to conclusion?

Answer. Once the Final EIS is completed and the ROD is signed, this planning process will conclude. We will include any new information that has been surfaced since the draft statement was issued. Direction in this plan may have to be amended as pertinent new information comes forward. We intend to have a process to incorporate this information without having to start a whole new planning process.

Question 156. I strongly feel that the best government is the most local form of government. There is some good, sound science in ICBEMP that could be used on the land. Why not just scrap this multimillion-dollar project and pass the scientific research onto local land managers?

Answer. It is just not enough to have good science. The information given must be applied uniformly across the board. This is the reason why broad scale planning is needed and why the ICBEMP decision will amend forest plans. Also, regional direction is needed on how to use the new science information in order to provide viability determinations for fish, wildlife and plants and for assessing cumulative effects across a large area.

In addition, two federal court decisions are relying on the Project to replace the current interim direction (PACFISH/INFISH/Eastside Screens). Our pledge to replace these interim directions through this process was an important element in the court decisions. Failing to do so will make us vulnerable to legal challenges.

TIMBER SALE SET-ASIDE REGULATIONS

Two years ago we directed you to develop regulations which will allow people directly impacted by the Forest Service Timber Sale Set-aside program, to appeal those decisions. Now two years later you are still sitting on those final regulations.

Question 157. What is the hold up Chief?

Answer. There is an appeal rule in effect which allows purchasers affected by the Small Business Set-Aside Program to appeal. An interim rule published March 24, 1997 (62 Federal Register 13826), went into effect immediately to comply with the Conference Report accompanying the 1997 Omnibus Appropriation Act. The interim rule gives an appeals procedure and provided an opportunity for comments which will be reflected in a final rule. We are nearing completion of the final rule and plan to publish it soon.

Question 158. Why haven't you published the final regulations?

Answer. The comments received in response to the interim rule have been evaluated, and a final rule has been drafted. The final rule has been reviewed by our Office of General Counsel and is now being finalized by our Directives and Regulations staff. We anticipate that it will be ready for Department approval within the next few weeks.

Question 159. Do you want this Committee to simply write legislative language to impose a appeals process?

Answer. As noted in the previous answers, an appeal process is in place and while we recognize that the task has taken some time, we believe that the final rule will better reflect the desires of the purchasers affected by the appeals rule by reflecting their input. Legislative language to impose an appeals process is not needed.

Question 160. Or would you prefer that we withdraw your authority to expend any more funds until you publish these regulations?

Answer. Our objective is to finalize the appeal rule in a short time; withdrawal of authority to expend funds until the regulations are published would not expedite the process.

Forest and Rangeland Research—Climate Change Technology

You've asked for a $3 million earmark for Climate Change Technology Initiative and suggested that harvesting and maintaining forests in a younger healthier condition will help with global warming.

Question 161. How much data already exists to support your contention?

Answer. Considerable data exists that demonstrates the role of U.S. forests in the sequestration of carbon. This positive forestry role in sequestering carbon can be significantly increased by research to provide enhanced technologies aimed at improving biomass production, reducing carbon release during forest operations, reducing energy consumption in post-harvest production, and lengthening the life cycle of forest products. While this research will be enhanced by funding requested under the Climate Change Technology Initiative, it address problems of increasing biomass productivity that our users want answered even if climate change were not an issue.

Question 162. If your research shows that young healthy forests, and the sequestration of carbon in wood products which resulted from harvesting on federal lands, improve the carbon cycle challenge facing this country, are you willing to help educate the American public on this issue?

Answer. Forest Service Research will remain an objective source for scientific information and will make that information available to as wide an array of interested parties as possible, clearly including the American public. Our ability to provide objective, balanced information on subjects such as the role of forests in the global carbon cycle is limited by the funding appropriated to us. The $3 million funding increase requested under the Climate Change Technology Initiative would allow us to become a more active source for objective information while addressing needs of the user community.

Forest and Rangeland Research—Urban Forestry

Question 163. If you have a $10 billion backlog in Forest Road Maintenance and are having trouble funding management activities on the lands which have been entrusted to you, why are you requesting urban forestry research?

Answer. Urban and community forests serve many ecological and aesthetic functions, while providing benefits to a majority of the nearly 200 million people in the United States that live and work in urbanized areas. Urban forests mitigate rainfall runoff and flooding; provide shade to reduce summer air-conditioning energy costs; reduce adverse health impacts of ultraviolet (UV) radiation; mitigate air quality impacts of various industrial processes, motor vehicle exhaust, and other human activities; provide wildlife habitat; and enhance the attractiveness and livability of our cities, communities and urbanized areas.

Research on economic benefits of urban forest ecosystems will help to improve the quality of life for large segments of the U.S. population. This research includes studies to: (1) Assess the potential cost effectiveness of utilizing urban forests to mitigate air pollution; and (2) Identify psychological and physical health benefits and reduced costs due to improved urban ecosystems.

Research, dealing with ecosystems impacted by rapidly urbanizing areas adjacent to many National Forests, is of critical importance due to the problems of: urban/wildland interface fire, watershed pollution, air pollution, high recreation demand by diverse populations, and concern for T&E species habitat. Examples of major urbanizing areas adjacent to National Forests with critical situations include: Los Angeles, San Diego, Lake Tahoe, Denver, Phoenix, Portland, Seattle, and Salt Lake City.

Question 164. How many National Forest are located within the bounds of cities?

Answer. As a general rule, National Forest boundaries are not located within city limits, with the possible exception of scattered parcels or inholdings. There are however a number of National Forests within an hours drive of many major metropolitan centers throughout the US.

Question 165. Aren't most urban forests the responsibilities of the States, or local municipalities?

Answer. Most urban forests are the responsibility of States, local municipalities or private landowners and Section 9 of the Cooperative ForestryAssistance Act enables the Forest Service to provide technical, financial and related urban forestry assistance to State Foresters and other partners.

Forest and rangeland research—wilderness

Question 166. Chief, refresh my recollection, didn't the Wilderness Act of 1964 say that Wilderness Areas are "an area where the earth and its community of life are untrammeled by man?

Answer. The Wilderness Act of 1964 (Public Law states in section 2(c) "A wilderness * * * is hereby recognized as an area where the Earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain."

Question 167. If that is the case, why are you proposing to undertake research in these areas?

Answer. (Sec. 2(c)) of the Act goes on to recognize that wilderness "may also contain ecological, geological, or other features of scientific, educational, scenic, or historical value". In Section 4, Use of Wilderness Areas, the Act states that "wilderness areas shall be devoted to the public purposes of recreational, scenic, scientific, educational, conservation, and historical use" (Sec. 4(b). It is therefore believed appropriate for research to be conducted in wilderness, when such activity is dependent on wilderness and can be done to minimize the impacts to the wilderness resource.

As reported in the fiscal year 1996 Report of the Forest Service, recreation use in wilderness areas accounted for 14.5 million recreation visitor days in fiscal year 1996. At the end of fiscal year 1996, there were 26,610 miles of trails available for use in wilderness areas. With the heavy visitor load in many wilderness areas, Research continues to explore fundamental questions to assist managers to better protect and preserve wilderness areas and the public values they provide. For wilderness near urban areas, investigations focus on changing recreation patterns. What are the factors underlying user conflicts? What changes are occurring in values, attitudes, and behaviors related to natural resources? Can these be affected by new visitor communication strategies?

State and private forestry—forest health management

Help me better understand how funds are spent within the State and Private Forestry Forest Health Management line item called Federal Lands.

Question 168. You have requested $37.2 million for this item, isn't that correct:

Answer. Yes. The President's Budget does include $37.2 million for Federal Lands Forest Health Management.

Question 169. A $4 million dollar increase over the fiscal year 1997. Am I right on that figure?

Answer. Yes. The fiscal year 1997 Appropriation for Federal Lands, Forest Health Management was $33.2 million.

Question 170. Why don't the other agencies within the Interior Department pay you for this service?

Answer. The Cooperative Forestry Assistance Act makes the Secretary of Agriculture responsible for forest health protection directly on the National Forest System and in cooperation with other Federal departments on all other Federal as well as Tribal lands. The Secretary has delegated responsibility for carrying out provisions of the Act to the Forest Service. To meet its responsibility the Forest Service through the Secretary requests annual appropriations for forest health protection based on estimated costs developed in cooperation with other the Federal departments; the other Federal agencies do not receive an appropriation for this purpose.

Question 171. Would having them help with the expense of doing this much needed work help you focus more closely on the lands your tasked with managing?

Answer. No. The resulting additional financial management and program overhead expenses would have the opposite effect. In addition, our current ability to respond in a timely manner to emergency situations across all ownerships would be impaired and national forests would be at increased risk from insect and disease outbreaks arising on adjacent other Federal or Tribal lands.

National customer service plan

Question 172. I note you want to expand funding for the National Customer Service Plan. Is that right?

Answer. A budget increase of $35,000 has been requested in fiscal year 1999 only to fund the follow up action plans for customer surveys completed in fiscal year 1996–98, and to provide customer satisfaction and polling results required by Congress in the GPRA.

Question 173. Isn't it true that the purchasers of federal timber sales produced 60 percent of the revenues collected by your agency in fiscal year 1997?

Answer. No, it is more than 60 percent. Of the $679,964,000 in receipts received in fiscal year 1997, $534,125,000 or 79 percent is related to timber sales. This includes the sale of forest products, and deposits to the K-V fund, salvage sale fund, and brush disposal fund.

Question 174. And that over $319 million dollars of timber trust funds were used last year to help fund your day-to-day operations (about $10 percent of the agencies budget request)?

Answer. In the fiscal year 1997 final program budget advice to the field the agency allocated $187,810,000 from the salvage sale fund, $218,023,000 from the K-V fund, $30,000,000 from the reforestation trust fund, and $45,651,000 from the brush disposal fund, for a total of $481,484,000. This is 16 percent of the total Forest Service request included in the President's Budget.

Question 175. Yet we're told that you've only met with members of your number one customer a handful of times over the last two years. Why would we fund this priority and what are you going to do to address the legitimate concerns on your most important customer?

Answer. Timber contractors are one of our important business customers. In the course of our timber sale customer survey project (1997 & 1998), we engaged the timber industry in a variety of forums, from focus groups to large industry meetings. We have addressed many of the business delivery concerns of our timber industry customers and are currently implementing actions to improve our service and work processes. (See enclosed "Report to Timber Sale Customers")

[CLERK'S NOTE.—The above mentioned publication "Report to Timber Sale Customers" has been retained in subcommittee files.]

National commitments

Question 176. Why are you holding onto 39 percent of the Forest Health Management Dollars in your regional allocation for the Washington Office?

Answer. Only about 6 percent of the Federal Lands Forest Health Management budget line item in the fiscal year 1999 President's budget is held by the Washington Office (WO). A total of $1.3 million, approximately 3.5 percent, is planned for salaries, travel, training and supplies for staffs in the WO headquarters. Approximately $0.6 million, approximately 1.6 percent, is held in the WO for National Commitments, and another $0.3 million, or 0.8 percent, for special forest health protection projects which are most efficiently managed from WO Headquarters. Some of the funds held for National Commitments are allocated to field units. Additional funds are included in the WO budget for the Forest Health Protection Enterprise Teams located in Morgantown, WV and Fort Collins, CO. The Teams are essentially field units in that they provide direct program assistance to the Regions, the Northeastern Area, the International Institute of Tropical Forestry, and also work closely with the Research Stations. A total of $8.7 million, or 23.5 percent of the President's budget level for Federal Lands Forest Health Management is held in the Washington Office Reserve for allocation to field units for: (1) specific pest prevention and suppression projects that are proposed and approved based on site-specific biological evaluations in early and mid-FY 1999, (2) Technology Development projects, and (3) support for the National Agriculture Pesticide Impact Assessment Program.

Question 177. Why are you holding onto 52 percent of Cooperative Lands funding from the States?

Answer. Only about 5.3 percent of the Cooperative Lands Forest Health Management budget line item in the fiscal year 1999 President's budget is held by the WO. A total of $0.7 million, approximately 4.1 percent, is planned for salaries, travel, and training of staffs in the Washington Office headquarters. Approximately $0.2 million, approximately 1.1 percent, is held in the WO for National Commitments, and another $0.02 million, or 0.1 percent, for special forest health protection projects which are most efficiently managed from WO Headquarters. Some of the funds held for National Commitments are allocated to field units. Additional funds are included in the WO budget for the Forest Health Protection Enterprise Teams located in Morgantown, WV and Fort Collins, CO. The Teams are essentially field units in that they provide direct program assistance to the Regions, the Northeastern Area, the International Institute of Tropical Forestry, and also work closely with the Research Stations. A total of $8.8 million, or 55 percent of the President's budget level for Cooperative Lands Forest Health Management is held in the Washington Office Reserve for allocation to field units for: (1) specific pest prevention and suppression projects that are proposed and approved based on site-specific biological evaluations in early and mid-FY 1999, (2) continuation of the pilot project phase of the gypsy

moth Slow-the-Spread project, and (3) support for the State Forest Resource Planning program.

Question 178. Why shouldn't this Congress limit the amount of funds which can be held in the Washington Office to say 10 percent and then force the distribution of the remaining funds out to the field offices so work can commence in the field?

Answer. Please see responses to Questions 176 and 177. Approximately 6 percent of the Federal Lands Forest Health Management and 5 percent of the Cooperative Lands Forest Health Management expanded budget line items support WO Headquarters.

Question 179. How would you feel about this Congress imposing the following direction:

No more than a total of 15 percent of any budget line item may be held, for overhead or other uses, at the following offices: (1) Secretaries Office; (2) the Washington Office: (3) the Regional Offices; or (4) any Forest Supervisors Office, or analogous Forest Research Stations.

Answer. We do not feel this direction will lead to sound, efficient resource management. Major efficiencies are gained in a number of instances by centralizing services or purchases in the Washington Office or a Regional Office, which would otherwise be done piecemeal at lower levels. For example, funds are held in the Washington Office to purchase a national software license for our major information systems. If each forest used these funds independently to purchase this software, the buying power would diminish by a factor of 100, and the ability to support common systems and exchange information coherently would be lost. If the Washington Office billed all of the units, rather than holding the funds, the paperwork would be expensive to accomplish the same result. It is therefore much more cost-effective to negotiate and pay for such a contract centrally and to hold the funds rather than bill each lower level. At the same time, we realize that we must continue to rigorously manage the debate and decisions on the priority and effectiveness of these investments, against alternative investments at the field level. Sound decisions on alternative uses of funds are a critical element in making these central services cost-effective.

Many regions offer centralized resource specialists that work in the Regional Office or in a Supervisor's Office and service many forests and districts. Each district office cannot not afford a complete array specialists; most districts probably do not have sufficient work for an array of full-time specialists. Sharing specialists saves money, but may require the specialist to report to and be funded by a higher organizational level.

Question 180. How would you feel about this Congress imposing the following direction:

Further, all funds authorized in this Bill, less the prescribed 15 percent for overhead, shall be distributed to the field offices within one month of final passage of this law, or one month after the beginning of the new fiscal year.

Answer. The Forest Service Washington Office (WO) makes every effort to distribute available funds to its field units as soon as possible after the appropriation bill becomes law. In an attempt to expedite the allocation process for fiscal year 1999, we have developed a revised timeline which requires that the Final WO budget and national commitments be determined at a much earlier date than in previous years. This change will ensure that available funds are distributed to the individual forest level within 90 days of final passage of the Appropriations Act. It would be very difficult, if not impossible, to complete our allocation process if given only 30 days from final passage of the law.

Question 181. Why shouldn't we limit overhead from the cooperative lands line item to 15 percent and then block grant the remaining funds straight to the States?

Answer. Please see response to Question 177. Only about 5.3 percent of the Forest Health Management Cooperative Lands expanded line item is held for use by the WO Headquarters and some of these funds are allocated out to the field. This is about the same percentage (6.1 percent) for the entire State and Private Forestry appropriation.

Block grants would provide the States with unlimited discretion as to how they expend and account for the funds, regardless of the purpose for which the funds are appropriated by Congress and granted to States. At present, State and Private Forestry authorities do not enable the issuance of block grants to the States. While recognizing the need to address different priorities in different regions and States, one dimension of the Federal role is to assure that program priorities of national importance, which address a range of needs and customers are advanced in a coordinated effort. Administration budget proposals and Congressional appropriations underscore this role, and determining the appropriate mix of different programs and

budget line items. The shift toward performance based budgeting reinforces the need to associate budget allocations with planned program outcomes.

State and private forestry—forest stewardship

Question 182. Chief why do you need a 14 percent increase in Forest Stewardship?

Answer. Nonindustrial private forestlands (NIPF) represent over 48 percent of the nations forests. Almost 10 million owners hold 337 million acres. Less than 20 percent of these lands are actively managed. Collectively, these lands are critical to the nation's timber supply, fish and wildlife habitat, water quality, landscape aesthetics and the economic welfare of many resource dependent communities. This proposed program increase will support a modest increase in support to State Forestry agencies and their assistance to landowners in forest planning and application of forestry practices. This would only be a small beginning in implementing the recently released National Academy of Sciences report. This program is used nationwide on forested lands and has a strong agroforestry component. As a result a broader array of national interests in these lands will benefit.

Question 183. Exactly what do we get for that investment?

Answer. The increase in fiscal year 1999 will enable over 3,000 NIPF landowners to develop multiple resource Forest Stewardship management plans. These plans will encompass over 400,000 acres of forest lands. Particular focus will address watershed health and restoration. This will support an increase of 70,000 acres of Stewardship Incentive Program practices, including 12,500 acres of tree planting. The increase will help provide information, technology, and training on forest nursery management, tree improvement, tree planting methodology, seedling culture, and equipment development to State, private, and federal nurseries, and support the tree seed bank. These specific treatments will contribute to the national interests noted above.

Question 184. Why shouldn't we put the extra money in managing the lands your entrusted to manage?

Answer. There are obviously many unmet needs on national forests as well as substantial national interests in non-Federal lands. The Forest Service is responsible for a coordinated forest stewardship program for management of this Nation's non-Federal forest lands in partnership with Federal, State, and local organizations. Demand for goods and services is increasing on NIPF lands. As noted above, only a small portion of these lands are under active management. The potential exists to do much more to assure adequate wildlife habitat, watershed protection and a sustainable forest resource on these lands. The number of small sized forest land ownership, less than 10 acres, is also rapidly increasing, putting more pressure on an increased number of landowners to provide the forest resources. This 14 percent increase will strengthen our partnership with state forestry agencies to help handle the increasing pressure on NIPF landowners and as again noted above will only be a start in implementing the recommendations of the recent National Academy of Sciences report.

State and private forestry—urban and community forestry

Question 185. Isn't the chief responsibility for Urban and Community Forestry fall with local government?

Answer. We agree that local governments bear the chief responsibility for the comprehensive care of their trees, forests and greenspace and believe that this reflects the current situation. However, many communities are not knowledgeable about conditions, possibilities, technical issues, or overall impacts of healthy urban forests on the welfare of its citizens, or such economic factors such as energy costs, or costs to local government of providing such services as storm-water management. Nationwide, the care of trees and forests in many of our larger cities are in decline and most need work to reclaim trees and greenspace to provide a better quality of life for their residents. Many smaller communities and unincorporated areas do not have the necessary financial resources or technical expertise to care for their trees and related natural resources, while resources do not reach many inner city neighborhoods. The Forest Service goal is to create local capacities to manage urban and community forests and does so by creating awareness; providing information to the public; and providing assistance in assessment, planning, management and community action.

At the landscape level trees and urban forests occur on land in mixed ownership and across jurisdictional boundaries and can become prey to insects and diseases. Counties, cities and other communities are even less equipped to deal with the loss of trees, forests, openspace, wildlife habitat and watershed functioning that is accompanying the urban sprawl occurring at unprecedented levels across the nation. In the last twenty years population in Atlanta has doubled while urban sprawl has

consumed over 400 percent more land. A the landscape level the Forest Service has a responsibility to promote increased communication and coordination across political and geographic boundaries to protect and restore healthy ecosystems.

Question 186. Why shouldn't we simply block grant $26.8 million requested in this budget straight to the States?

Answer. The Program is designed to address concerns at the local, State and national scales. By the year 2000 over 80 percent of the American public will reside in metro areas with complex natural resource problems. National indicators of deteriorating environments associated with cities and other communities include decreases in air and water quality with their associated health risks; land use changes, forest conversion and fragmentation leading to loss of wildlife habitat, biodiversity and open space; diminished watershed functioning and increased stormwater flooding; and increased heat island temperature effects that exacerbate regional weather systems and global warming. The Forest Service provides research, technology transfer and technical assistance needed to identify national trends, assess, test and develop corrective actions needed to sustain and improve urban and community natural resources. The Forest Service works in collaboration with other federal agencies, State forestry agencies, local governments, non-profit organizations and the private sector to accomplish this work and keep Congress informed of important national trends.

Question 187. Why couldn't these communities hire U.S. Forest Service expertise, if in fact your employees truly are the most knowledgeable and of course the price you would charge is competitive with private contractors?

Answer. The scope and complexity of urban natural resource problems requires the combined talents and commitment of Federal, State and local governments, nonprofit organizations and the private sector all working together. The role of the Forest Service is to provide the national leadership and long-term Federal continuity to assist States, cities and counties to recognize the importance of natural resources in populated areas, and to serve as facilitators and conveners to bring together all the parties needed to develop community based efforts to care for trees, forests, watersheds and openspace in urban areas.

Question 188. Don't you think it is unfair to those striving to make a living in urban forestry for Congress to subsidize a federal agency at the expense of the private sector?

Answer. Rather than competing for jobs in the private sector, the Urban and Community Forestry Program has been an important catalyst for creating new jobs and careers in both the private and non-profit sectors involved with caring for trees, forests and greenspace in urban areas. As local communities become more aware of the important role that trees, forests, and open space play in supporting the economic, social and environmental aspects of their lives, we believe that this segment of the economy will continue to grow.

Not more than 20 full time equivalent assignments are tied to delivery of the Urban and Community Forestry program. All of them carry some level of national responsibility. The states and localities, including non-profit, citizen based volunteer organizations involved in urban forestry help craft the role and responsibility of federal participation. The role the Forest Service plays in urban and community forestry is defined by the partnership of federal/state/local interests.

The National Forest System—recreation

You've stated that driving for pleasure is the No. 1 recreational activity on the National Forest System. You've also stated that you have a $10 billion backlog in road maintenance. You've requested a 13-percent increase in funding for recreation above that budgeted in fiscal year 1997.

Question 189. Why shouldn't we fund recreation at fiscal year 1997 levels and then take this money and put it into road reconstruction and maintenance?

Answer. The Forest Service budget proposal balances the needs of all the resource areas to provided multiple benefits and accomplishments. In fiscal year 1999, the increase in the Recreation budget line items provides an additional $23 million for the President's Land, Water, and Facility Restoration Initiative for the operation, maintenance, and reconstruction of recreation facilities and trails which have a combined backlog of over $1 billion. These facilities and trails in substandard condition exists at a time when more Americans are visiting the national forests than ever before.

Removing these funds will eliminate the following projects across the Nation: Replacement of over three hundred toilets with more modern and sanitary, accessible sweet smelling toilets, and replacement of many which are leaking and causing environmental degradation. Over 400 water systems will be repaired or replaced in order to meet health and safety standards required by the Safe Drinking Water Act

Amendment. The $8 million provided for trails would provide heavy maintenance, rerouting, and reconstruction of over 3,000 miles of trails. This maintenance would enhance the health and safety of the forest visitors, improving accessibility, as well as preventing ecosystem degradation.

Many of these projects anticipate contributed funds as well as "in kind" support from the local communities in the form of partnerships. This allows leverage of the funding to accomplish more than would be possible with only the Federal dollars.

Examples of project proposal which could be done if this funding is provided include:

—Providing for the maintenance and reconstruction of water systems at high use recreation areas, such as Swauk and Ice Water Campgrounds on the Wenatchee National Forest in Washington; Ward Lake recreation Area campgrounds on the Tongass National Forest in Alaska; Pounds Hollow Recreation Area on the Shawnee National Forest in Illinois; Hyalite Canyon and Reservoir/Gallatin Canyon on the Gallatin National Forest in Montana; Dolly Copp Campground wells on the White Mountain National Forest in New Hampshire; Albert Pike Recreation Area on the Ouachita National Forest in Arkansas; Bird Creek campground on the Humbolt National Forest in Nevada; Horseshoe Springs on the Sante Fe National Forest in New Mexico; the upgrade of 4 water systems on the Araphaho/Roosevelt National Forests in Colorado; and the Almanor pumphouse and tank replacement on the Lassen National Forest in California.

—Providing environmental protection for water quality by improving sanitation facilities, sewer and/or wastewater systems such as Begich, Boggs Visitor Center Wastewater system on the Chugach National Forest in Alaska; Chewalla Lake Recreation Area in Mississippi; at the Hopewell, Handsome Lake, and Hooks Brook boat access campgrounds on the Allegheny Reservoir on the Allegheny National Forest in Pennsylvania; Fishlake Sewer Lift Station repairs in Utah; the Bog Springs Campground in Madera Canyon on the Coronado National Forest in Arizona; Stratton Pond on the Green Mountain National Forest in Vermont; Davidson River Recreation Area on the Pisgah National Forest in North Carolina; and Juniper Springs Recreation Area on the Ocala National Forest in Florida.

—Trail maintenance and reconstruction to protect stream crossings, steep trails and trails located within riparian areas, such as the Hanging Rock and Monday Creek ORV areas on the Wayne National Forest in Ohio; Shenandoah Mountain trail in West Virginia; the Badin Lake Horse Trail System on the Uwharrie National Forest in North Carolina; trail restoration on the Francis Marion National Forest in South Carolina, the Coker Creek and John Muir Trails on the Cherokee National Forest in Tennessee; the Noisy Creek and Shedroof Mountain trails on the Colville National Forest in Washington; and the Quinault Valley, Soleduck River and Duckabush River trails on the Olympic National Forest in Washington.

Additional project proposal information by Region or National Forest is available. The actual project selection will depend on the mix and amount of additional funding provided to the Forest Service in fiscal year 1999.

You've also requested that we re-authorize the recreation user fees program which you indicate generated $7.7 of receipts which will be used by the Forest Service. In essence your asking this Congress to increase your funding by over $28 million for recreation. For a program that returns less then $50 million to the government. At the expense of a program that has the potential to return over a billion dollars in revenues.

Question 190. What are you guys down there in the Old Auditors Building thinking about Chief?

Answer. Returns to Treasury are one indicator of a programs contributions to the economy of the United States. The USDA Forest Service plays a significant role in managing forests and rangelands and producing resource outputs that provide a variety of goods and services for the American public. The economic effects of these goods and services can be described by several measures, each contributing unique information. The Draft 1995 RPA Program presents three measures of economic effects: (1) benefit-cost analysis; (2) returns to Treasury; and (3) employment and income impacts. The benefit-cost analysis compares the cost of Forest Service programs to the benefits generated by those programs. Returns to Treasury are receipts to the government from sales of outputs and fees for services on the National Forests and Grasslands.

The economic impacts resulting from Forest Service programs like timber, grazing, and recreation create ripple effects throughout the economy with measurable impacts at local, regional, and national scales. The economic impacts from Forest Service activities are often summarized as contributions to employment and income.

At the national level, the most relevant measure of income is the contribution to Gross Domestic Product (GDP): the value added to the economy of domestic production of goods and services.

As displayed in the Draft RPA Program, the national contributions to GDP from recreation are substantially larger than contributions from other resource areas. This difference is explained by several factors. The first factor is the sheer magnitude of recreation use on the national forests and grasslands. Second, recreation visitors are purchasing final consumption products (fishing equipment, clothes, etc.) as part of the recreation trip expenditures.

However, economic impacts are just one perspective and there are many other valid perspectives and sources of information that should also be considered in evaluating Forest Service programs. These include the social and economic impacts to local communities, revenues generated, economic efficiency, historical program development and support, and actions needed to achieve desired conditions or to address urgent problems, such as forest health. Funding allocations are not based on a single dominant perspective or factor. Such decisions take into account all of the factors mentioned above, plus many more.

Question 191. Do you think we can afford to throw good money after bad to support your social engineering experiments.

Answer. Recreational opportunities continue to be important to the American public and contribute significantly to local rural economies. We believe providing recreation facilities and trails is an important part of the Agency mission—Caring for the Land and Serving People.

The National Forest System—road maintenance

Chief, you've testified that you have a $10 billion backlog in road maintenance. We also know that timber purchasers use to pay for 40 to 45 percent of road maintenance. Maintenance that the recreationists, the agency, and all other forest road users enjoyed.

Question 192. Why shouldn't this Congress take about 30 percent of the recreation and wilderness budget and put that money into road reconstruction and maintenance?

Answer. The Forest Service budget proposal provides for recreation road maintenance and reconstruction within the maintenance and road re/construction budget line items. Budget constraints do not allow for the levels of funding needed for either the roads or the recreation programs. The President's Budget provides balanced funding for these programs within current funding constraints.

Law enforcement

According to your budget it costs the Forest Service $92,545 per law enforcement agent.

Question 193. How many county law enforcement officers could the average county hire for $92,000 per year?

Answer. It is unknown how many law enforcement officers could be hired by the average county, since we do not have pay information for county law enforcement personnel available. Simply taking the 1999 estimate of $67,373,000 and the FTE level of 728 from the Forest Service Explanatory Notes, then dividing those, does not accurately reflect the cost of law enforcement personnel. The overall budget figure shown includes cooperative law enforcement funding, fleet equipment replacement and use, support costs for office space and clerical assistance, training and travel, transfer of station costs, and all other related employment costs.

Question 194. Why shouldn't we block grant most, if not all, law enforcement dollars directly to those counties which have National Forest lands within them?

Answer. In fiscal year 1996 the Senate Appropriations Committee asked for an independent review of the Forest Service law enforcement program. In March of 1997, Star Mountain, Inc., a company hired through the Office of Personnel Management, submitted their final assessment of the program. One of the four focus areas in their study was, "Potential for establishing block grants to local law enforcement agencies, its merits, and cost benefit." The report concluded that block grants were not viewed as an alternative to cooperative agreements for assuming Forest Service Law Enforcement and Investigations responsibilities. The primary reason for their conclusion is the lack of accountability for block grants. Audits may be required on some types of block grants, however, they generally focus on the financial soundness of the grant recipients and their activities rather than accountability for results and outcomes. Essentially there are no requirements to show an increased benefit utilizing block grants.

The National Forest System—prescribed fire

Chief, you've state publicly that 90 percent of the lands within the interior west which are considered to be at a high risk for catastrophic fire will need to be mechanically treated prior to burning. We've also seen proposals to burn commercially valuable timber in some prescribed burns.

Question 195. What is the average cost of prescribed burning?

Answer. Answer combined with those for S–196, S–197, see below.

Question 196. Your budget documents suggest you will treat 1.47 million acres in fiscal year 1999 for some $235 million in fire operations funding.

Answer. Answer combined with those for S–195, S–197, see below.

Question 197. That works out to about $160 per acre if I did my math right.

Answer. (Combined with answers for S–195, S–196) The fiscal year 1999 proposed budget includes $235.0 million in fire operations funding. Of that amount, only $65.0 million is proposed for the Hazardous Fuel Reduction program. The balance of the Fire Operations program funding supports wildfire suppression activities.

The $65.0 million Hazardous Fuel Reduction program supports all types of fuel treatment activities, including prescribed burning, and a variety of mechanical treatments. The program also supports associated activities, such as planning fuel reduction activities and assuring compliance with air quality standards. The fiscal year 1999 program proposed to treat a total of 1.47 million acres.

Per-acre costs of prescribed burning, which is one component of the $65.0 million Hazardous Fuel Reduction program, vary by topography, vegetation type, weather conditions, and proximity to structures and developed areas. Per-acre costs range from $30 to $300 per acre, with some situations potentially driving per-acre costs higher.

Question 198. If you could sell only 5,000 board feet/acre of commercial timber from the lands you want to burn, the commercial timber value would net the government approximately about $240 per acre treated. Tell me why we shouldn't require the Forest Service to remove and sell all commercial products prior to burning?

Answer. Commercial timber does not occur on all lands scheduled for fuel treatment or prescribed burning. Mechanical fuel treatment and prescribed burning are not meant to cause damage to forest lands. Most of the mechanical treatment needed to prepare a forested area for prescribed burning involves removing small trees and brush that have little or no commercial value. The objectives are to reduce fuels that allow fire to move from the ground, surface fuel into tree crowns and to create a crown spacing that reduces the risk of wildfire spreading through tree canopies. Some commercial products may be produced as a result of this mechanical treatment, including biomass, pulpwood, and some sawlog products. It is current practice to seek to sell and remove products that have commercial value in preparation for prescribed burning. Unfortunately, much of the material to be treated has little or no value in the marketplace. Material that does have commercial value, such as biomass and pulpwood may have local markets, but those markets are often transitory and unreliable, making it difficult to plan with assurance that they will be available at all times.

Question 199. If you did remove this volume won't you reduce the fuel loading and make these projects less risky and less costly to burn?

Answer. Removing commercial timber from an area may increase fire hazard as the limbs and foliage that were a part of the harvested trees are left as slash and dead fuel. As fuel loadings on an area increase, the cost of fuel treatment may also increase.

Question 200. Wouldn't you return a positive cash-flow to the federal coffers rather then sending $235 million up in smoke?

Answer. It is current practice to sell merchantable products created as a result of treatment in preparation for prescribed burning. This can help offset the cost of fuel treatment, but normally is not sufficient to create positive cash flow. As stated before, the materials that are removed to prepare an area for prescribed fire are generally not valuable enough to create market interest.

The National Forest System—purchaser road credits

Chief, once again you've proposed to do away with purchaser credits and reduce road funding.

Question 201. What percent of your road construction budget is spent on building new roads and what percent is spent on reconstructing existing roads?

Answer. Only 1.0 percent of the proposed fiscal year 1999 road reconstruction and construction budget is proposed for actual road construction contract costs and 28 percent is proposed for actual road reconstruction contract costs. The remaining 71 percent is proposed for engineering support (survey, design, and contract adminis-

tration) for roads reconstructed and constructed from appropriated funds, and by timber purchasers, and for program management and overhead. Recognizing both appropriated and purchaser funded work, and based on miles to be accomplished, there will be 3,541 miles of road reconstructed (89.6 percent) and 410 miles of road constructed (10.4 percent) in fiscal year 1999.

Question 202. How much of your bridge replacement backlog and maintenance backlog is dependent on reconstruction projects?

Answer. Basically, all of the bridge replacement and maintenance backlog depends on reconstruction. Bridges can be replaced with maintenance funds and the President's fiscal year 1999 budget initiative includes replacing 40 bridges. However, about 13 percent of our 7,650 bridges are functionally obsolete or unsafe. On a 50-year replacement cycle, we would need to replace about 150 bridges per year to hold the bridge backlog line. With foreseeable maintenance funding, gaining on or even holding the bridge backlog line will depend on reconstruction.

Question 203. Are you telling me that you have critical road maintenance and reconstruction problems yet your recommending further reduction in two to the line items which help you accomplish the very work your now wringing your hands over? The National Forest System—Purchaser Road Credits.

Answer. The elimination of the Purchaser Road Credits program in fiscal year 1999 will not affect our ability to accomplish needed road work for "critical road maintenance and reconstruction problems". Purchasers of National Forest timber will still be required to do needed road work as before, but now the cost of that road work will be paid directly, rather than indirectly by the purchasers. This may then be reflected in lower bid prices; however, any suggestion or appearance of a subsidy will be removed. The President's fiscal year 1999 budget for roads reconstruction and construction is actually a 10-percent increase over the fiscal year 1998 appropriation, and the request for road maintenance is increased 26 percent over the fiscal year 1998 appropriation. However, critical road maintenance and reconstruction problems will still remain as the increases will slow the increase of the growth of the backlog in both these areas but not decrease it.

Question 204. What percent of federal timber is purchased by small business purchasers?

Answer. Data is currently unavailable.

Question 205. Don't the small business purchasers may a greater cash flow challenge when it comes to paying for timber sales?

Answer. Yes, small business purchasers may have a greater cash flow challenge when it comes to paying for timber sales. However, we believe that the timber sale provisions and requirements reflect reasonable rates of deposits and payments for the small business purchaser, while protecting the interest of the United States Government.

Question 206. If you need forest product companies to help you accomplish your management goals and you are going to propose a policy which will financially disadvantage one group of timber sale purchasers over another, what are you going to do to protect these small companies?

Answer. The Forest Service needs an industry to help achieve the long term management goals of the national forests. The President's fiscal year 1999 budget proposed language to modify Section 14i of the National Forest Management Act, which authorizes the Forest Service to build purchaser credit roads over $20,000 upon the request of small businesses. The proposed language is necessary to continue to provide this opportunity to small businesses.

The National Forest System—purchaser road credits

Question 207. Chief, has your agency done any analysis on how much it will cost to develop new contract procedures to allow for road design changes that are now handled under the purchaser credit provisions of the timber sale contract?

Answer. We have not done an analysis at this time on the cost to revise the policy concerning timber sale purchaser roads. The process we will propose to put into place will try to cause as little disruption as possible to the process. As an example, we will still build the same standard of road necessary to protect the environment and that is necessary to remove the logs. Thus, the construction provisions will not change. We will try to include all the present contract provisions but will just handle them in a different manner. Currently, the sale is advertised as if the road is in place and the purchaser receives credit as the road is constructed. The revised approach will advertise the sale reflecting the cost of the road as part of the bid price.

Question 208. What will happen when your employees identify a need to make a change in the road design?

Answer. Needed road design changes will be handled similar to the present process. The contract will identify the same reasons, conditions and requirements to justify those needed design changes. Other changes will have to be by mutual agreement. In some cases, appropriated funds will have to used. As appropriated funds have been limited in the past, some design changes may not be accomplished if there are not sufficient funds.

Question 209. How will your timber sale contract accommodate the change without delaying a purchaser's sale operations?

Answer. The elimination of purchaser road credits requires change in approach in handling road costs in the timber sale contract.

Question 210. Has your agency undertaken any analysis to understand how the elimination of the purchaser road credit program will impact timber bids and receipts?

Answer. A year ago GAO reported to Congress what the possible effects of eliminating the purchaser road credit program might be. The Forest Service has not done any additional analysis. We would expect a slight decrease in bids because timber sale purchasers will have to carry borrowed funds longer and will pay more interest on borrowed monies without purchaser road credits. In addition, if there is no purchaser credit, this approach will not allow the timber sale purchaser to transfer earned purchaser credit between sales on the same national forest.

American heritage rivers

In Ms. McGinty's testimony on this program, she indicated the three primary objectives of the program are (1) local economic revitalization, (2) natural resources and environmental protection, and (3) cultural resource preservation. The federal register announcement on this initiative indicated that you (the administration) were "creating the American Heritage Rivers (AHR) initiative to help these communities restore and protect their river resources, in a way that integrates natural resource protection, economic development, and the preservation of historic and cultural values."

Question 211. Chief, having listened to those objectives would you think these rivers would be located near metropolitan areas, or in the wilderness areas?

Answer. We do not know where the 10 designated rivers will be located, but they may be in both urban and non-urban settings.

Question 212. Chief, the President's Executive Order of April 8th on the American Heritage Rivers Advisory Group calls for some of the rivers which this group will recommend to be rivers that are "relatively pristine." Is it your understanding that your agency will be asked to expend its budget to place additional protection on rivers within the National Forest System (NFS) as a result of the Heritage Rivers initiative?

Answer. It is our understanding that this initiative will not require or allow any new federal regulations. We do not expect to place additional protection on AHR designated rivers within NFS lands.

Question 213. What will this program do for rivers located on National Forest Lands that your existing forest plans can't already accomplish? Will this initiative result in any additional rivers be designated as wild and scenic on National Forest lands?

Answer. This initiative will encourage greater interagency coordination, more partnerships with the private sector and non-profit organizations, and more involvement with communities. This initiative will not affect any rivers eligibility for wild and scenic river designation.

Question 214. If the program is designed to help communities (town and cities) refurbish their river heritage, why are you mucking around out on the National Forests? How many towns over 5,000 people are located within the boundaries of the National Forests? How many have rivers which run through both the town and the National Forest?

Answer. This information is currently not available at the Washington or local offices. Please contact us to clarify your needs and we will work with you to provide the appropriate information.

The Agriculture Research Bill Conference Report includes language that puts the Forest Inventory and Analysis (FIA) program on a five-year cycle. This language has strong support among all forest constituents, and is the product of a blue ribbon report prepared for the Chief of the Forest Service by a diverse coalition including the National Association of Professional Forestry Schools and Colleges, National Association of State Foresters, the National Woodland Owners Association, the Wilderness Society, the Society of American Foresters, and the American Forest and paper Association. The language was overwhelmingly approved in the House and has met no significant opposition in the Senate.

Forest and rangeland research—forest inventory and analysis

Question 215. Is it the intention of the Forest Service, in response to Congressional mandate, to move the FIA program to a 5-year cycle?

Answer. The Research Bill has not yet been finalized or signed by the President. However, the Forest Service shares the goal of moving the FIA research program to a 5-year cycle. The current legislation requires submission of a strategic plan with 180 days of passage indicating additional funding and personnel needs to transition from the current program to a more vigorous 5-year program.

Question 216. What is the priority of this improved FIA program relative to other research initiatives? What research initiatives are higher priority?

Answer. FIA is the highest research initiative priority for the fiscal year 1999 Forest Service Research budget.

Question 217. Is the $4.5 million increase in funding for FIA in the President's fiscal year 1999 budget sufficient to move the program to a five year cycle?

Answer. No. The increase proposed in the fiscal year 1999 budget is only sufficient to reduce the national FIA cycle to about 11-years and begin annualized inventories on about 37 percent of the nation's forests. The strategic plan called for in the Research Bill will outline the additional needs above fiscal year 1999 funding to achieve the five-year cycle mandated on 100 percent of the nation's forests.

Question 218. Would you agree that Congress, in response to the overwhelming support for a five year inventory cycle, should provide sufficient resources to make a 5-year cycle possible?

Answer. Yes. As long as the resources permit the agency to collect information on the broader suite data essential to monitor ecosystem integrity.

FIA is a global leader in inventory and monitoring technology and provides critical information on the status, trends and condition of forest lands for 10 million private and all public forest landowners in the United States. FIA is provides forest resource information across all ownerships that is more comprehensive, more detailed, and of higher quality than any other entity and has done so for 70 years. FIA's leadership and dedication to providing sound, unbiased resource information was recognized by the First Blue Ribbon Panel on Forest Inventory in 1992 and again by the Second Panel this year.

Question 219. How much additional funding would the Forest Service need to move the FIA program to a 5-year cycle?

Answer. The question has two answers because the five year cycle required by the Agriculture Research Bill is more stringent than the five year cycle sought in the Second Blue Ribbon Panel Report. Although the strategic planning required by the Research Bill has only recently begun and the budget analyses are still very preliminary, we estimate that it would take $98 million annually to provide the program outlined in the Research Bill. The estimated cost of complying with the Second Blue Ribbon Panel Report recommendations is $80 million. The cost difference stems from the fact that visiting 20 percent of the plots each year in very remote locations, such as interior Alaska and wilderness areas, is extremely expensive. The Blue Ribbon Panel report recommends negotiations with State Foresters, and some State Foresters are supporting cycles other than 5-years. For example, for some western areas, cycles of 7 or 10-years are supported by State Foresters, and perhaps 20-years for interior Alaska. This flexibility to negotiate a cycle that best meets customer needs results in the lower cost estimate of $80 million.

Both the Research Bill and the Blue Ribbon Panel require reporting of forest health information as an integral part of the program. Thus, budget estimates for this response reflect a merged FIA and Forest Health Monitoring (FHM) detection monitoring program.

In fiscal year 1999, Forest Service Research proposes $28 million on FIA and FHM detection monitoring and will leverage about $9 million in direct and in-kind support from FIA/FHM partners, for a total of $37 million. This funding will support annualized inventories on about 37 percent of the nation's forests, a national FIA cycle of about 11 years, and provide for forest health detection coverage on about 70 percent of the nation's forests.

In addition, future inventory and monitoring efforts will include more ecosystem information to increase their value for analysis, planning, evaluation and education. This broader array of information in conjunction with improved linkages to other data sources will help streamline planning, analysis and implementation of a more efficient resource information gathering and delivery system. Future efforts will also pursue continued improvement and significant expansion of our popular interactive internet data delivery capability (www.srsfia.usfs.msstate.edu/wo/wofia.htm).

National Forest System—reducing the risk of catastrophic wildfire

In his recent "State of the Forest Address, Chief Dombeck state, "There are approximately 40 million acres of national forests that are exposed to abnormally high risk of fire, disease, and insect outbreaks. To respond to this need, we are asking Congress for funding to: (1) increase prescribed fire and forest fuels treatment in critical watersheds from 1.1 million acres in 1997 to 1.5 million acres in 1999 and (2) double the amount of thinning in unnaturally dense forest stands particularly along the urban—wildland interface over the next 5-years."

Question 220. In October of 1997 the House Committee on Agriculture sent you a letter requesting the location of these 40 million acres. Did the agency ever respond to this letter?

Answer. We cannot find record of a response to this letter.

Question 221. Have these acres been identified? Where are they?

Answer. The 40 million acres are estimated to be a portion of National Forest Land where hazardous fuels loads and the potential for insect and disease problems is greatest. These areas primarily occur in the extensive pine stands found in the west and south. In the fiscal year 1998 Department of the Interior and Related Agencies Appropriations, Congress directed that $4 million in the Forest Service's Wildland Fire Management appropriation and the Department of Interior's appropriation be used to establish and implement a comprehensive approach for fuels mapping and inventory. This approach is now being developed by a joint Fire Sciences Team and will provide for improved fuels mapping and inventory.

Question 222. Your "State of the Forest Address" indicated that you intend to "double the amount of thinning in unnaturally dense forest stands over the next five years." How much of this thinning do you currently do?

Answer. Two types of thinning operations are performed—precommercial and commercial. The difference between the two activities, as the names imply, is largely a function of whether or not the material being removed is of sufficient size to have acquired a market value.

Annual data on the number of acres subject to each type of treatment are available from the Forest Service's TRACS-SILVA database. The figures for the last two years are provided below. These data indicate that we are presently thinning about 285,000 acres annually—155,000 acres precommercially and 130,000 acres commercially.

ANNUAL DATA

[In acres]

Region	1996			1997		
	Precommercial	Commercial	Total	Precommercial	Commercial	Total
Northern	14,285	2,391	16,676	11,737	2,535	14,262
Rocky Mountain	12,801	4,372	17,173	12,839	4,324	17,163
Southwest	4,353	1,915	6,268	14,189	5,707	19,896
Intermountain	10,723	5,122	15,845	12,268	2,947	15,215
Pacific South West	25,303	11,171	36,474	31,456	16,808	48,264
Pacific North West	66,437	12,785	79,222	57,724	20,149	77,873
Southern	8,874	61,943	70,817	8,501	51,827	60,328
Eastern	5,713	28,844	34,557	4,729	27,786	32,515
Alaska	4,016	.....	4,016	3,728	.....	3,728
Servicewide	152,505	128,543	281,048	157,171	132,083	289,254

Question 223. Where is this thinning going to occur?

Answer. While we are currently striving to improve the reliability of our data, at present it is estimated that approximately 40 million acres of National Forest land are exposed to abnormally high risk of fire, insect, or disease outbreaks. This heightened risk may be a function of many variables, but overstocking is certainly a key consideration. While some overstocking problems can be addressed by means other than thinning—e.g., prescribed burning—in many instances the existing stocking levels are so high that the risks associated with introducing a prescribed fire are prohibitive. In these instances, thinning is our only real mechanism for implementing positive change. Given that the risk of catastrophic fire tends to be greatest in wildland/urban interface areas, these zones would logically become focal points for our expanded thinning program.

Question 224. The funding for this thinning doesn't seem to appear to be in any of the National Forest System line items, the State and Private Forestry line items or in any other program line items. Where precisely is this thinning initiative in the budget?

Answer. The initiative proposes to double the amount of thinning in unnaturally dense stands over the next five years. In fiscal year 1999 we will be using funding in the forestland management line items (NFTM for commercial thinning and NFFV for precommercial thinning) and from the K-V and reforestation trust funds only for precommercial thinning.

Question 225. In what time frame do you anticipate treating all 40 million acres in the current backlog? Is your budget request consistent with this timeframe? What level of funding would be consistent with this time frame?

Answer. We plan to increase our fuels treatment program 30 percent per year until we are treating 3.0 million acres per year by 2005. At this rate of treatment, we anticipate that critical areas would be treated within 10–15 years, with much of the 40 million acres requiring multiple treatments on each acre.

The work by the Fire Sciences Team will be used to determine priorities, judge the effectiveness of various treatments, and assess the risk. The funding request in the President's budget is consistent with this time frame.

National Forest System—watershed health improvement

In February Secretary Glickman transmitted a letter to House Agriculture Committee Chairman Smith expressing his opposition to Chairman Smith's forest health bill. The letter rejected Chairman Smith's proposal to use the Roads and Trails Fund for forest health recovery projects, yet advocated using this same fund for "watershed restoration activities." The concept of "watershed restoration, as it turns out, is nearly identical to the concept of forest recovery outlined in Chairman Smith's bill.

Question 226. On February 27, Secretary Glickman transmitted a letter to Chairman Smith opposing the use of the Roads and Trails Fund for the purpose outlined in his forest health bill. This same letter advocated the use of the Roads and Trails Fund for "watershed restoration activities." Where does this proposal appear in the fiscal year 1999 budget?

Answer. Secretary Glickman's February 27, 1998 letter described the Administration?s suggested alternative to H.R. 2515. This alternative would emphasize watershed and forest health treatments such as:

—Reconstructing, relocating, maintaining, or decommissioning roads;
—Prescribed fire;
—Watershed restoration through soil stabilization and abandoned mine rehabilitation;
—Restoration and maintenance of wildlife and fish habitat;
—Control of noxious and exotic weeds; and
—Ecosystem analysis

The fiscal year 1999 President's budget includes funding increases for programs that would carry out these kinds of treatments.

The Administration's alternative would amend the 10 Percent Fund to expand its scope of spending from road and trail construction, reconstruction, and maintenance, to overall watershed health. The Secretary's letter was sent to the Committee after the fiscal year 1999 President's budget was released. The fiscal year 1999 President's budget for the 10 Percent Fund would support activities that are currently authorized, including trail reconstruction, and road reconstruction and maintenance to address environmental degradation, especially in riparian areas.

Question 227. Why was the Secretary's proposal not included in the USFS explanatory notes?

Answer. The Secretary's letter was sent to the Committee after the fiscal year 1999 President's budget was released. The fiscal year 1999 President's budget, as described in the Explanatory Notes, includes funding increases for programs that normally conduct the kinds of watershed restoration and forest health treatments described in the Administration's alternative. The fiscal year 1999 President's budget for the 10 Percent Fund would support activities that are currently authorized, including trail reconstruction, and road reconstruction and maintenance to address environmental degradation, especially in riparian areas.

Question 228. Was the proposal presented to Chairman Smith sincere? Does the Department or the agency still view "watershed restoration activities" as an appropriate use of the Roads and Trails Fund?

Answer. The Secretary's proposal was sincere. The Administration believes it would be appropriate to expand the authorized use of the 10 Percent Fund to in-

clude the types of watershed and forest health treatments described in it's alternative to H.R. 2515.

Question 229. To what extent does the treatment of the 40 million acres of forest at risk of catastrophic fire correspond with "watershed restoration?" How are the two similar? How are they different?

Answer. A noted earlier, the location and actual risk associated with these acres will be defined by the Fire Sciences funding in the fiscal year 1998 Wildland Fire Management appropriation. Since large, damaging fires pose a threat to a healthy watershed, many acres included in the 40 million occur within watersheds that need restoration. Fuel treatment can prevent severe fires which damage watersheds and cause floods and erosion. Prescribed fire can increase species diversity on a site, giving more resilience to ecosystems. Fuel treatments that put more organic matter on the ground speeds nutrient availability to new plants and prevents site deterioration. It is assumed that fuel treatment within these areas will be one very effective component of watershed restoration. There are riparian areas where fire may be damaging instead of restorative. In other cases, fire may expose old erosion sources, reactivating the erosion cycle. These areas would not be included within the 40 million acres and may require restoration activities other than fuel treatment or prescribed fire.

Question 230. Does the current condition of the 40 million acres place watershed health at risk? Would it logically follow, then, that your proposal for watershed restoration would incorporate the 40 million acres?

Answer. As noted in Question 229, much of the area would cover the same area. Fuel treatments are expected to reduce the fire hazard, restore the health of the ecosystem, and be an effective component of watershed restoration.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

HARDWOODS TECHNOLOGY CENTER, PRINCETON

Chief, the Forest Service has been involved with the hardwoods technology center in West Virginia that assists small, independent operators in their efforts to get established in the secondary hardwoods processing industry. For a variety of reasons, the Center is now faced with a need to restructure its operations.

Question 231. What steps can the Forest Service, especially State and Private Forestry, take to assist in providing this center with a firm organizational footing?

Answer. In fiscal year 1991 and fiscal year 1992, a total of $8.9 million was appropriated to the USDA Forest Service, State and Private Forestry, to initiate the development of a hardwood training and flexible-manufacturing center in Mercer County, West Virginia. The initial role of the USDA Forest Service in assisting the Robert C. Byrd Hardwood Technology Center was largely grant administration by the Northeastern Area and some counsel by Research.

During the last three years the Northeastern Area has taken on a more direct role of assistance, guidance and counsel. In May 1996, the Northeastern Area drafted a report entitled, Strengthening Hardwood Utilization: An Institute Concept for Hardwood Utilization Research, Technology Training and Transfer, and Industry Development. The report, provided to Congress, called for the USDA Forest Service to better coordinate its State and Private Forestry and Research role and to develop linkages with the Center to focus on the following program areas: Joint leadership, resource information and analysis, shared training, shared workforce toward common goals, shared planning, and shared initiatives.

The Institute concept specifically called for funding for the Forestry Sciences Laboratory to be restored to the fiscal year 1995 level, a State and Private Forestry Liaison position to be created, and an economically self-sufficient Center to be programmatically linked to USDA Forest Service Research and State and Private Forestry programs. Funding has been restored at the Laboratory and a State and Private Forestry Liaison position has been established.

The Forest Service continues to assist the Center by providing, through a partnership role, a wide-range of linkages and contacts, timely information, technical advice, and focused financial incentives. The research programs at the Forestry Sciences Laboratory have been recently restructured based on input from the hardwood industry. The Institute concept, bringing together the Center; the Northeastern Area; and the Forestry Sciences Laboratory; remains a viable option for the Center to be fully successful. The Forest Service continues to support the Institute Concept, however, since the Center is a 501(c)-(3) non-profit organization, the Board of Directors for the Center controls the overall program agenda and makes all decisions concerning the operations of the Center.

Chief, I would request that you develop, for the Subcommittee's consideration, a future vision for the Hardwoods Technology Center. Because of the nature of the center's work, I believe your State and Private Forestry branch should lead this effort. This group is familiar with this project, and should be able to address goals and objectives, leadership needs, and funding requirements for a restructed Hardwoods Technology Center. And, because the Appropriations Committee will soon begin its mark-ups of the fiscal year 1999 budget, I would appreciate a response within the next two weeks.

Question 232. In light of the need to strengthen the program at the hardwoods center, why has the Forest Service proposed to reduce the fiscal year 1999 technical assistance funding below last year's enacted level of $200,000?

Answer. The fiscal year 1999 President's budget proposes to maintain funding for the hardwoods center in Princeton, West Virginia at the fiscal year 1998 funding level of $200,000. The Forest Service fiscal year 1999 Explanatory Notes do not report the correct level of funding.

Seneca Rocks Visitor Center

Question 233. What are the estimated costs for operations of the visitor center? What plans does the Forest Service have in developing its budget for next year to accommodate the additional operating costs that will accompany this facility?

Answer. The estimated annual operating cost for the Seneca Rocks Visitor Information Center is $275,000.

The Forest and Region are exploring partnership opportunities to offset the increased costs of operation and maintenance for this, and one other new center (Northern Great Lake Visitor Center) in the Region.

To assist the Forest Service in addressing the growing recreation demands on our national forests, Congress in fiscal year 1996 established a demonstration fee program.

Question 234. To assist the Forest Service in addressing the growing recreation demands on our national forests, Congress in fiscal year 1996 established a demonstration fee program. What has been the experience to date in the Service's implementation of the program?

Answer. Our experience has generally been favorable. The flexibility of the program as authorized has given our project managers the latitude to craft projects that are generally acceptable for their particular site and their particular set of circumstances and visitors. It also allows us to make needed changes where changes are warranted because of public reaction. We have also found that projects in areas or for activities that had no prior fee associated takes more time, resources, and about a year of planning—to ensure a fiscally sound and publicly accepted program. We also find better success with projects at developed sites where reinvestment of funds is more apparent than on dispersed sites.

Question 235. What revenues were generated last year, and what are your expectations for this fiscal year?

Answer. In fiscal year 1997 we collected $8.7 million from the fee demo program, at 40 sites. We anticipate collecting approximately $16 million from the program in fiscal year 1998, at about 80 sites.

ALLOCATION OF FUNDS

Chief, in recent years, the Forest Service has undertaken an effort to change the manner in which it decides how it allocates funds to the field. It appears that as a proportion of total National Forest System appropriated funds, Region 9 is not faring as well in the budget process. I understand that similar dissatisfaction has been heard in some corners from Region 8, the Southern region.

Question 236. What are the factors that contributed to the Forest Service's decision to reallocate funding of the various National Forest System line-items?

Answer. Prior to fiscal year 1995, there was no consistent, established approach for allocating funds in either the formulation or execution stages of the budget process. In budget formulation, the Deputy Chief established regional funding levels by adjusting the previous year's level based on personal knowledge of issues or program changes. These adjustments were not necessarily based on quantifiable or documentable information and tended to perpetuate historical funding distributions. In budget execution, the same approach was used except that allocations were proposed by individual staffs based on their knowledge of program issues and priorities. Some staffs used budget formulation information received from field units to help in these decisions. The agency's leadership generally approved these allocations without significant adjustments. The logic and rationale behind these decisions in both steps of the budget process were never communicated to the field. Many re-

gions voiced concerns about the equity and objectivity of these allocations, particularly as program priorities within the agency began to change.

The Forest Service began using a criteria-based approach for allocating funds in the agency's budget formulation process in fiscal year 1995. Significant progress has been made since that initial effort, and as of fiscal year 1997 criteria are now used to make initial and final allocations as well as allocations for budget formulation purposes.

Allocation criteria provide some of the rationale needed to justify programs by linking the distribution of funds to expected performance as described in agency goals and objectives. They help sharpen the focus on objectives and communicate agency priorities. The allocation criteria establish a foundation for distributing resources by identifying differences in Regional resource conditions, workload, production capabilities and other elements.

As the Agency refines its allocation criteria, Washington Office (WO) and Regional program managers are looking to improve the link between the performance indicators in the GPRA Performance Plan and the criteria. This connection will ensure that accomplishing the agency's priorities on the ground is rewarded and that funding is tied to accountable work.

Question 237. What are the consequences to the forests, on-the-ground, of this type of reallocation? Are facilities having to be closed, or are services being reduced, or is staffing affected?

Answer. Given the complexity of managing natural resources, no set of criteria will yield the optimum allocation for everyone. Management review remains a necessity to ensure that regional programs are maintained. Changes to address program viability or emerging needs usually take place when the regions respond to the Program Budget Instructions, the Initial Planning and Budget Advice (PBA), or even through reprogramming requests. Regions provide an analysis of the impacts that proposed funding increases and decreases would have on their program capabilities. In reviewing this information, WO program managers work to address emerging issues or priorities so that the final allocation balances Regional needs.

In the fiscal year 1997 and fiscal year 1998 Final PBAs, adjustments were made to some programs where shifts in funding due to applying the criteria would have resulted in significant changes. The adjustments generally limited an increase or decrease of no more than 10 percent in a unit's percent share of available funding from one year to the next. In the fiscal year 1999 Initial PBA, NFS program managers eliminated the "bridge" for most of their programs, but kept it when the impacts would have been too drastic or if revisions to the criteria were soon expected to occur.

Question 238. As the effects of these reduced budgets are being felt in the regions that have had to give up funds, is there any thought being given to re-evaluating the factors so that significant disruption to the delivery of services does not occur?

Answer. For any given region, several factors would have led to increases or decreases in funding for a line item: total funding appropriated, the amount of funds needed to operate the National headquarters, earmarks or priorities for specific regions, and the criteria used. Since moving to a criteria-based approach can result in significant shifts in program funding among regions, an adjustment or "bridge" was applied to all regions to limit an increase or decrease of no more than 10 percent in a region's percent share of the available funding from one year to the next.

While some Regions may have declining budgets for some programs, using the criteria has resulted in increases in other programs. Use of the allocation criteria has refocused funding in the regions on different programs. For instance, Regions 8 and 9 are receiving a higher percent share of the Ecosystem Planning, Inventory and Monitoring, but less of the Recreation and Wilderness funds.

The evaluation and refinement of allocation criteria is an on-going effort involving Washington office and regional resource and budget staffs. This effort is designed to address issues related to specific program criteria. Resource or other information used to update the criteria is kept as current as possible. Unresolved issues related to specific criteria are periodically addressed to assure that the best possible criteria are in use. Staffs are also working to improve the link between the performance indicators in the agency's GPRA Performance Plan and the criteria. This connection will ensure that accomplishing the agency's priorities on the ground is rewarded and that funding is tied to accountable work. As criteria improve, additional shifts in funding among regions may occur. Those changes will be implemented incrementally to limit significant changes.

Question 239. What was the Forest Service's logic in applying the reallocation to the base program, and not just the incremental changes in funding each year?

Answer. Allocation criteria for each program are applied to the total funds available for distribution to the field for a given year. When the criteria were first used,

a "bridge" or adjustment was also applied to mitigate the adverse effects of potentially rapid changes in program funding levels. This "bridging" approach temporarily maintained the link to an historical "base", but allowed some movement towards a more rational and equitable distribution of funds. Subsequent allocations using the criteria have resulted in further shifts away from historical levels of funding for some programs in some regions. This, however, reflects the intended result of this approach, a significantly more meaningful, visible and equitable allocation. Applying the criteria to incremental changes in the budget could eventually lead to the same result, but it would take significantly longer and there would be no justifiable reason for hanging on to a "base" program that does not reflect current workloads and the capabilities of field units to address shifting agency priorities.

Question 240. To what extent does the allocation of funds take into consideration the number of recreation sites on a forest, and the costs associated with keeping these facilities available for public use?

Answer. The regional and Washington office Recreation Management staffs worked extensively to develop and refine the criteria currently being used. The agency's Recreation Program Directors selected criteria that best represented the recreation resource situation and workload for which quality information was available. From this process they selected the following criteria:

—Recreation Use calculated using Recreational Visitor Days (31 percent weight);
—Managed developed site capacity using PAOT-Days (Persons-at-one-time) (30 percent weight);
—Non-Wilderness Forest Service acres per Region (18 percent weight);
—Miles of existing Non-Wilderness trails (12 percent weight); and
—Number of Special Use Permits (9 percent weight).

Of these criteria, the PAOT-Days, weighted at 30 percent, attempts to account for the workload associated with recreation sites and managed site capacity. The recreation budget criteria are expected to change when the results of two important efforts (Recreation Meaningful Measures and the INFRA data base) provide consistent, validated measures and costs.

Question 241. Does the allocation method address the different operating seasons for the various regions such as the short but intense use in the northernmost states, as compared to the longer, more dispersed seasons in the southern tier of states?

Answer. The Recreation Program Directors measured the managed developed site capacity calculated using PAOT-Days (Persons-at-one-time). PAOT-days was used because it does consider the season of use, though it does not capture the timing differences in operating seasons. The Recreation Directors considered a range of potential indicators that attempted to measure the different workloads and resources in the regions.

When Meaningful Measures and the INFRA database are implemented in fiscal year 1999, the Recreation staff intends to review its allocation criteria to assess the improvements in the information collected and to identify indicators that demonstrate the "quality" of experience.

FIREFIGHTING

The fiscal year 1999 budget request for Forest Service appropriated funds is about $50 million above the fiscal year 1999 enacted level. A significant portion of the increase is created by reducing funding for the firefighting program some $30 million below last year's level.

Question 242. What is your confidence level that sufficient funds are included in the Forest Service request for firefighting this year?

Answer. Within the proposed fiscal year 1999 budget for Wildland Fire Management, firefighting funds proposed in the Fire Operations Expanded Budget Line Item at $235.0 million combined with $102.0 million in proposed contingency funding, represent a level slightly above the 10-year average annual fire suppression expenditures. In addition, there is still a $250 million emergency fund available should the President need to activate it.

Question 243. Do you anticipate having to borrow any funds from the Knutsen-Vandenburg Reforestation Trust Fund this fire season? If so, how do you propose to repay the K-V account for those funds, let alone the outstanding balance of $493 million already owed the K-V account?

Answer. The Forest Service does not anticipate having to borrow funds from the Knutsen-Vandenburg fund for firefighting this fire season.

The ten year (1987–1997) average for wildfire suppression activities is $323 million. Yet the fiscal year 1999 budget request for operations is just $235 million, some $88 million, or 27 percent, below the 10-year average.

Question 244. Does the Forest Service believe the ten-year average is an inappropriate indicator for firefighting costs? If so, what alternative basis would you recommend for determining firefighting funding levels?

Answer. The ten-year average annual fire suppression expenditure figure is an appropriate indicator for capturing the variability of fire season severity year to year. At the same time, it provides a logical basis for consistent administration budget proposals, in the face of uncertain outyear fire seasons. Given the wide fluctuation in fire season severity, a ten-year average annual level, along with a contingency fund or supplemental appropriation in extreme wildfire occurrence years, provides for a more balanced annual budgeting process.

As you may be aware, Budget Committee and the Congressional Budget Office expect the Interior Subcommittee to fund the firefighting accounts at the ten year average. Thus, even though you have not requested this amount, the Subcommittee may be "charged", or scored, with the increment of $88 million.

Question 245. If this happens, where within the Forest Service budget do you propose that the Subcommittee obtain $88 million in savings?

Answer. The Fire Operations account at $235.0 million, along with the $102.0 million in proposed contingency funding, is slightly above the 10-year average annual suppression costs. In addition, there is currently a $250.0 million contingency that was established by Congress in fiscal year 1997 but not used. The amount available in fiscal year 1999 will depend upon fund usage, if any in fiscal year 1998. Given these additional funds, we feel there are adequate financial resources available to the Forest Service in fiscal year 1999.

STATE AND PRIVATE FORESTRY

Cooperative Fire Program

Question 246. The fiscal year 1999 Forest Service budget request calls for a program increase to $23.5 million for Cooperative Fire Protection. Is this increase a result of budget restructuring or is it a proposed program increase? Please describe with specificity what a requested increase in funding will be used for.

Answer. The increase is a result of budget restructuring. In the fiscal year 1999 President's budget the Cooperative Fire Protection budget is being proposed as a separate Budget Line Item within the Interior Appropriation for the Forest Service State and Private Forestry. Prior to this year, the funds for a Cooperative Fire Protection program came from two separate appropriations: The Cooperative Lands Fire Management EBLI within the Interior Appropriation for Forest Service State and Private Forestry, and the Rural Community Fire Protection (RCFP) component, funded through the Rural Housing Service within the Agriculture Appropriation.

The funds for Rural Community Fire Protection will be used in fiscal year 1999 as they have been used in the past: for training, organizing, and equipping rural volunteer fire departments servicing communities with populations of less than 10,000.

Question 247. What is the basis for allocation of these funds to the Regions? Will the fiscal year 1999 allocation differ dramatically from allocations made in fiscal year 1998? If so, why?

Answer. State Fire Assistance Expanded Budget Line Item—Funds are allocated to the field units based upon continuation of a historical funding which took into account program complexities and fire workload in each state. The allocations are developed in consultation with the State Foresters who administer the program locally.

Volunteer Fire Assistance Expanded Budget Line Item.—Funds are allocated to the field units based upon continuation of a historical funding which took into account program complexities and fire workload in each state. The allocations are developed in consultation with the State Foresters who participate in the program.

The allocations for fiscal year 1999 will not differ significantly from those made in fiscal year 1998.

Question 248. How does this program differ from what is planned to be accomplished in the Forest Service Wildland Fire Management activity?

Answer. The Forest Service Wildland Fire Management activity provides for protection of National Forest System lands from damage by wildfires commensurate with the threat to life, firefighter and public safety, values at risk, and resource management objectives. The funding is used to provide resources which provide a preplanned fire protection capability to respond to the historical and anticipated workload on national forest lands. The purpose of the Cooperative Fire Protection activity is to protect lives, homes and natural resources from uncontrolled wildfires on non-federal wildlands and rural lands. The Forest Service provides technical, financial and other assistance to help States and volunteer fire departments maintain

currency in prevention, suppression and wildland fire protection techniques. This promotes State, local, and citizen-driven solutions to fire protection needs, and provides the Forest Service with additional resource capability in the wildland urban interface.

Question 249. How successful has the Forest Service been in utilizing cost-share arrangements to accomplish the goals of this program?

Answer. Cost-share arrangements have been very successful in accomplishing this goals of this program. On the average, each federal dollar leverages at least two dollars in State funds.

Forest health management

Question 250. What criteria does the Forest Service use to allocate Forest Health Management funds to its Regions? Will the fiscal year 1999 allocations differ dramatically from allocations made in fiscal year 1998? If so, why?

Answer. Federal Lands Forest Health Management—Surveys and Technical Assistance Program consists of two components (1) a base technical assistance and survey program, and (2) Off-plot forest health monitoring. Funding for the base program is a historical distribution based on the size of the Forest Health Protection organization in each region. Off-plot forest monitoring funding is developed in the WO and the distribution is based on the number of participating States and acres of forested land in those States. Prevention and Suppression funding level is developed in the WO based on the 5-year average of actual expenditures. Allocations include funds, based on historical funding levels, for initial presuppression activities. Funds for suppression projects are allocated after project proposals are submitted, prioritized and approved.

Cooperative Lands Forest Health Management.—Surveys and Technical Assistance Program consists of two components (1) a base technical assistance and survey program, and (2) Off-plot forest health detection monitoring. The base program allocation provided for each State is formula-based. The formula is: $0.01 per acre of State and private forest land + $40,000 divided by 2 (50 percent cost share), but not less that $25,000 total. Regions and Northeastern Area may alter the formula-based distribution of their respective Regional and Area allocations with concurrence of the participating States. Although the program is formula driven, it is based on the availability of funds. Forest Health monitoring funding is developed in the WO and allocated based on acres of forest and number of plots in participating States. Prevention and Suppression funding level is developed in the WO based on the 5-year average. Funds for suppression projects are allocated throughout the fiscal year based on the results of biological evaluations and the priority of each project in meeting national needs.

The fiscal year 1999 allocation will be the same as fiscal year 1998.

NATIONAL FOREST SYSTEM

Rangeland management

Question 251. (a): The fiscal year 1999 Forest Service budget includes an increase of $19.2 million for rangeland management, in part to be used for grazing allotment analyses. (b): To date, what progress has been made to complete grazing allotment analyses? (c): What amount, if any, will be needed in future years to complete this work? (d): What percentage of the requested increase will be used to complete grazing allotment analyses and what percentage will be used to complete other additional on-the-ground structural improvements?

Answer. (a) The range Vegetation Management (NFRV) expanded budget line item (EBLI) proposed funding is requested at $37.807 million in the President's fiscal year 1999 budget. This budget includes a program increase over fiscal year 1998 in regular funding of approximately $4 million and a Presidential Initiative of $16 million included in the President's Environmental Resources Fund for America (Clean Water and Watershed Restoration Fund Initiative, which includes a Rangeland Initiative $15 million and the Interior Columbia Basin Ecosystem Management Project $1 million). The range Grazing Management (NFRG) expanded budget line item is $27.840 million or $.300 million above fiscal year 1998.

Rangeland Management budget line item (BLI) request for fiscal year 1999 is $65.6 million (NFRG and NFRV combined); however, Rangeland Management budget trends need to be viewed in the context of past years. As can be seen in the Table below in millions of dollars (rounded), the Rangeland budget dropped in fiscal year 1994.

Rangeland budget

Fiscal year	*Millions*
1992	$43.20
1993	44.42
1994	16.40
1995	18.50
1996	27.00
1997	38.00
1998	45.40

Note: Fiscal year 1998 is enacted to date.

The request for fiscal year 1999 includes: adjustments to cover inflation since fiscal year 1993; an increase in the noxious weed program in response to public requests; increased dollars to gather and analyze data needed to accomplish the NEPA work that Congress mandated in the Rescissions Act of 1995; funding to implement the restoration decisions resulting from the Rescissions Act NEPA; and finally, resources to monitor and evaluate restoration progress on the ground. Riparian area restoration is included in the implementation of the NEPA decisions.

(b): The Forest Service was required in the Rescissions Act of 1995 to develop a schedule for NEPA analysis and management decisions on grazing allotments. The schedule was developed based upon performing NEPA analysis within a period of 15 years. The 15 year period was divided into 5 three year time blocks to make the process more manageable. A total of 2,516 analyses and decisions were planned for fiscal year 1996 through 1998. This is 37 percent of all the analyses needed in 15 years. By the end of fiscal year 1997, analyses and decisions were completed on 1,218 allotments. In fiscal year 1998, an additional 544 allotment NEPA analyses are underway for a total of 1,752 or 70 percent of the analyses planned in the first time block. The Forest Service will be short of its goal of 2,516 allotments by 30 percent or 754 allotments at the end of the first three year time block. While we have fallen short of our ambitious schedule, the accomplishment of 1,752 NEPA decisions in three years represents a 400 percent or greater increase over the rate of decisions prior to the Rescissions Act.

(c): The development and implementation of grazing management plans through NEPA needs input from range specialists, wildlife and fisheries biologists, soils scientists and many others to address the complicated effects of a livestock grazing program. This represents expanding workloads at a time when staff levels are limited or reduced; this has resulted in a growing backlog of NEPA analyses. Work on the remaining allotments will be shifted to future time blocks in the schedule. Implementation of existing decisions needs to occur as the NEPA decisions are made. This translates into a minimum program for Rangeland Management of approximately $75 to $80 million for future years if all Congressionally mandated assignments are to be completed and yearly permit administration is carried out.

(d): The program funding increase proposed for fiscal year 1999 is explained under EBLI NFRV above. Under the Rescissions Act schedule, we have made 1,752 decisions in the past three years (including fiscal year 1998). The NFRV funds increase, in large part, is needed to implement these decisions. These monies are to be spent on improving and/or restoring vegetative capabilities of the National Forest System lands through implementation of the NEPA decisions and monitoring progress towards achieving the objectives described in these decisions. Additionally NFRV monies can be spent on inventory and analysis, this information can be used as base data for NEPA. This represents about fifty percent of the cost of doing NEPA analysis, but is less than 20 percent of the NFRV budget. Direct work on NEPA and resulting decisions are accomplished under EBLI NFRG, as is structural improvement work. Since the proposed funding increase is not in the area of NFRG, no additional NEPA analyses are scheduled and no additional structural improvements are planned.

The distinction between NFRG and NFRV has resulted in difficulty for the Rangeland Management program. A budget increase in one of the EBLIs does not provide for a parallel increase in the other EBLI. Thus an increase on the NFRV side of the Rangeland Management program provides added base data and information for NEPA without dollars to actually perform the NEPA work and inform the public. Moreover, the decisions that are currently in place will be implemented in fiscal year 1999 to the degree possible with NFRV considering that these monies can only be spent on vegetative improvements and not on the needed structural improvement work.

The solution to the two types of funding would be the consolidation of the NFRG and NFRV EBLIs into a single BLI for Rangeland Management. This would allow

decision makers the flexibility to plan the entire process under one set of funds. Thus, data gathering and analysis information could be immediately used in the writing of a NEPA document while consulting with the public. This could be followed by the creation of an allotment management plan after a decision is made. The next step would be the actual implementation of the decision on the ground with coordination and cooperation of the permittee. Finally, as a last step, monitoring should take place to evaluate progress towards achieving the objectives delineated in the NEPA decision. As described above, this is a building process that requires consistent funding at a level that provides for performing all the needed steps, while continuing the administration of permits and the rest of the Rangeland Management job. An adequately funded program would require between $75 and $80 million on a long term basis.

Question 252. What efforts has the Forest Service made to include landowners in the decision-making process relative to initiating rangeland improvements?

Answer. The Forest Service considers local landowners who are holders of livestock grazing permits to be very important in the NEPA process. The permittees are the people who, in partnership with the Forest Service, carry out the decisions that stem from the NEPA process. They are our partners, as permit holders, in making management on the ground workable and productive. Therefore, the Forest Service is committed to completing the scheduled NEPA analyses with the help of our permit holders through cooperation, coordination, and consultation. That means continuing to inform them of our concerns, the responsibilities that we have under the law, the regulations that we are expected to carry out, and the issues that the general public brings forth in the NEPA process. It also means continuing to listen to their needs and their ideas for the improvement of management on their allotments. The Forest Service is committed to working closely with the individual permittees through ongoing consultation with them on developing situations and coordinating with them when rangeland management programs are developed for their allotments under NEPA. Likewise, the actual implementation of management plans along with the construction or development of improvements requires continued close cooperation between the Forest Service and the permittees. In addition to including the permittees in the NEPA process, Forest Service decision makers also have a commitment to work with other interested parties, other Federal and state agencies, and other Forest Service resource areas to ensure that management actions are ecologically responsible, economically viable, and socially acceptable.

Question 253. Approximately how many acres of noxious weed treatments does the Forest Service plan to complete in fiscal year 1999? Does this include acres of weeds to be addressed under the Interior Columbia Basin Ecosystem Management Project?

Answer. The proposed budget for fiscal year 1999 includes $4 million for noxious weed work in regular appropriations with another $2.6 million in the President's Environmental Resources Fund for America (Clean Water and Watershed Restoration Fund Initiative, which includes a Rangeland Initiative and the Interior Columbia Basin Ecosystem Management Project). It is expected that these funds together will generate 67,500 acres of treated noxious weeds. Of the total acres predicted approximately 12,500 will be from treatments within the Interior Columbia Basin Ecosystem Management Project. Additional acres of treated noxious weeds are expected from other programs as in previous years.

An assigned target of 36,732 acres has been established for the Regions for fiscal year 1998 using noxious weed funding. Again cooperation is expected from non-Federal entities, also it is anticipated that additional weeds will be treated under the KV program in fiscal year 1998.

Recreation use

Question 254. In the fiscal year 1999 budget, the Forest Service repeatedly notes a backlog of project work relative to Recreation Use as a justification for some of the proposed increases. Specifically, it asks for an increase of $16 million. To date, has the Forest Service completed a formal inventory of recreation backlog projects? Has a priority list of backlog work been developed? What criterion will be used to chose projects?

Answer. The backlog of deferred maintenance and reconstruction for recreation facilities and trails was based on condition assessments and field estimates in fiscal year 1994. Recreation facility backlog information was gathered by utilizing the following criteria: health and safety; resource protection; work needed to avoid closing a site; site work needed to return to a user fee system previously charged or to continue a user fee system; or facility elimination for those sites beyond a serviceable condition. The totals identified, $818 million for recreation facilities and $267 million for trails, have not been updated since fiscal year 1994. The Forest Service is

in the process of developing a consistent set of definitions and identifying specific needs through development of the computerized inventory database called INFRASTRUCTURE. This is expected to be complete by the end of fiscal year 1999. In the meantime, the total funding needed to address substandard conditions has no doubt increased due to continuing forces of deterioration and rising costs.

The emphasis in fiscal year 1999, as in recent years, is on reconstruction and rehabilitation of existing facilities. Based on the above criteria, each of the nine Forest Service regions develops a project list from which the national list is compiled. The list includes projects needed to meet the demands of today's recreation customer as well, but with the emphasis on the above criteria the majority of funding would be applied to reduce the backlog. Therefore the $16 million increase in the fiscal year 1999 budget, although only a small part, would help alleviate the total need.

Question 255. To date, how would you characterize the success of the recreation fee demonstration program? What plans does the Forest Service have for expanding the program and making it more efficient?

Answer. To date, we consider the demonstration program successful. The feedback has generally been favorable as long as the fees come back to the local area and the Agency budget is not offset. Some projects have more controversy than others—mainly fees for the dispersed types of recreation. With significant effort on the part of the local Agency personnel and modifications to the project proposal, even the more controversial projects are able to succeed and gain public acceptance.

In 1997, 40 projects were collecting fees. Currently, 51 projects are charging fees. We have plans for an additional 37 projects to begin charging fees this year or the beginning of next year, and are expecting proposals to fill the additional slots. We hope by May 1999 to have close to 100 projects charging fees.

We continue to work with projects to streamline and enhance business operations, as our managers and workforce gain additional skills needed to collect fees on this larger scale, and run projects in a business-like manner. As we move into a second full year of operation, we will work on ways to better integrate the various fee systems. Our intent has been to test a variety of fee collection methods on a wide variety of recreation activities. We are also developing a proposal for a national pass. Although we are accepting the Golden Eagle passport at some locations, it does not work well for most national forests since we have very few "entrance" fee areas.

PRESIDENTIAL INITIATIVES

Clean water and watershed restoration

Question 256. The Forest Service Budget includes $60 million for the Clean Water and Watershed Restoration Initiative, including $35 million in the National Forest System account. Please indicate the Forest Service's priority use of the funds in this account if only a portion of the funding is provided.

Answer. The Forest Service priorities would be those activities to restore National Forest System watersheds. The priorities for this effort would be based on the priority watersheds identified by the States resulting from their Unified Watershed Assessments.

Question 257. What other initiatives are included within the planned use of these funds, including amounts to fund the Interior Columbia Basin Ecosystem Management Project, Southwest Conservation Strategy, or other major projects?

Answer. More than a million dollars is planned for use in the Columbia River Basin Ecosystem Management project. Currently planned is twenty million dollars for Rangeland Vegetation Management, part of which will be applied to the Columbia River Basin Ecosystem Management Project and to the Southwest Conservation Strategy. Other initiatives to which the funding is applied are: $63 million in the land, water and facility restoration initiative, $3 million in the climate change technology initiative, and $1.3 million in the law enforcement initiative.

Question 258. What are the long-term implications of not receiving the total amount of funding requested for this initiative?

Answer. The long-term implications would be an adverse effect on the Forest Service ability to be trusted and effective partners in achieving the goals of the Clean Water Act and implementing its mission for watershed management and land stewardship.

Question 259. An additional $14 million is included in the Reconstruction and Construction account for this initiative for roads. What is the planned use of these funds? How will priority reconstruction and construction projects be selected?

Answer. These funds are planned for road work designed to improve watershed health and eliminate adverse impacts on fisheries and wildlife. Examples of work to be done with these funds includes:

—Aggregate surfacing to reduce sediment production and runoff;

—Reconstructing cross sections to improve drainage;
—Revegetating cut and fill slopes; and
—Replacing culverts and bridges to pass 100 year storm flows.

Regions have set priorities for this work to provide the greatest amount of environmental improvement with the funds available to them. They estimate that they will be able to reconstruct 340 miles of road and replace 13 bridges with these funds. No new road construction is planned under this initiative.

Land, water, and facility restoration

Question 260. The Forest Service budget includes $63 million for the Land, Water, and Facility Restoration Initiative, of which $31 million is included in the National Forest System account. Please indicate the Forest Service's priority use of the funds in this account if only a portion of the funds are provided.

Answer. The $31 million is planned for a balanced program of priority restoration projects for recreation and FA&O facilities, and for roads and trails, in the proportions shown on page 316 of the fiscal year 1999 Explanatory Notes. Funds will be prorated to maintain this proportion between these elements of our infrastructure if only a portion of the requested funds are provided.

The $11 million of initiative funds for road maintenance will allow us to increase maintenance to a full service level standard from 40 percent to 45 percent and replace 40 of the bridges that are currently restricting access to public lands. The $5 million of initiative funds for FA&O facility maintenance will allow us to increase maintenance to a full service level standard from 20 percent to 24 percent thereby improving employee safety, efficiency and morale. In the case of the recreation facility and trail components, loss of funds will result in the elimination of water, sanitation and trail projects. In the NFS account, $15 million is provided for recreation facilities and trails. These funds, along with $8 million in the Reconstruction Account, have Recreation Facility and Trail Maintenance and Reconstruction projects proposed by all 9 Forest Service Regions. The total funding of $23 million for recreation facilities and trails in NFS and Reconstruction will fund over 400 water projects, 300 sanitation projects, and provide maintenance and reconstruction on over 3,000 miles of trail. A reduction to this funding will be prorated across the Regions and will begin to eliminate the programs described above.

Question 261. Please indicate the Forest Service's priority use of the $17 million in funding requested in the Reconstruction and Construction account for this initiative if only a portion of these are made available. To date, what steps has the Forest Service taken to inventory its maintenance and construction backlog? How will projects be chosen for the use of these funds?

Answer. The $17 million is planned for a balanced program of priority restoration projects for recreation and FA&O facilities, and for roads and trails, in the proportions shown on page 316 of the fiscal year 1999 Explanatory Notes. Funds will be prorated to maintain this proportion between these elements of our infrastructure if only a portion of the requested funds are provided.

Not receiving the $9 million of initiative funds for FA&O reconstruction and construction would postpone the completion of three airtanker bases and ten office and work center projects. These postponements would have a direct affect in the Forest Services ability to protect natural resources, meet the public needs, and the health and safety of employees and the public. In the case of the recreation facility and trail components, loss of funds will result in the elimination of water, sanitation and trail projects. In the NFS account, $15 million is provided for recreation facilities and trails. These funds, along with $8 million in the Reconstruction Account, have Recreation Facility and Trail Maintenance and Reconstruction projects proposed by all 9 Forest Service Regions. The total funding of $23 million for recreation facilities and trails in NFS and Reconstruction will fund over 400 water projects, 300 sanitation projects, and provide maintenance and reconstruction on over 3,000 miles of trail. A reduction to this funding will be prorated across the Regions and will begin to eliminate the programs described above.

Individual forests have project-by-project maintenance plans and awareness of reconstruction needs. Unfortunately, these are not in a standard format that facilitates summarizing needs nationally. We are presently updating our Infrastructure integrated information system to include this information.

Regions have set priorities for this work to provide the greatest benefit to protect the facilities and best serve users.

Question 262. What are the long term implications of not receiving the total amount of funding requested for this initiative?

Answer. In general, the growth of the backlog of maintenance and reconstruction needs for these programs will be accelerated. Specifically, environmental damage from old non-engineered roads will not be reduced, many high priority health and

safety administrative facility projects will not be accomplished, and we will be unable to meet critical time frames for air tanker base reconstruction needed to use the new air tankers on which our future fire fighting capabilities depends. As indicated above, hundreds of recreation water and sanitation projects will not be addressed in fiscal year 1999. They will be addressed as funds become available in the future and those facilities that represent a health or safety problem for the public will be closed until repairs/reconstruction work can be accomplished.

Question 263. Please specify in priority order (including acreage) planned land acquisitions with the use of $15 million requested for this initiative.

Answer. The land acquisition portion of this initiative is to provide $14.5 million to acquire lands identified by the Forest Service as a priority for acquisition. All of the land acquisition projects proposed for funding are identified in the President's budget request and would be funded through the Land and Water Conservation Fund. In the fiscal year 1999 request, over $48 million of land was identified for acquisition. The land acquisition priorities are listed by priority, but were not developed to show specific projects funded by the initiative. Many of the land acquisition proposals, such as North Florida Wildlife Corridor and Pacific Northwest Streams serve to protect and enhance key watersheds.

INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PROJECT

Question 264. What progress has been made relative to meeting the requirements of section 323(a)(b) of the Department of the Interior and Related Agencies Appropriations Act of 1998 (Public Law 105–83)?

Answer. Section 323(a) of the 1998 Appropriations Act directs the Secretaries of Interior and Agriculture to prepare and submit a report to the Committees "prior to the completion of any decision document or the making of any decision related to the final Environmental Impact Statements * * *." This report is to address the time and costs anticipated for accomplishing decisions and sources of funds. Since the public comment period just recently closed on the draft EIS's, work has not begun on development of a decision document. A decision document will not be developed until the Executive Steering Committee for the Project have selected a final alternative for management of the Forest Service and BLM lands within the project area. Therefore, the report required by Section 323(a) has not been prepared at this time. This report will be prepared within the next twelve to fourteen months.

Section 323(b) of the 1998 Appropriations Act required the Project to analyze and publish a report on the economic and social conditions, and culture and customs of communities within the project area. This report was published and released to the public in early March 1998. At the same time, an additional extension of the public comment period was given to allow additional time for people to read the report and comment.

Question 265. Just recently, the comment period for the ICBEMP EIS's was extended an additional month to May 6,1998. In part, this means that less time is available to complete actual on-the-ground work in the Basin for this year. How, if at all, does this change your project implementation costs for fiscal year 1999?

Answer. At this time, we have already factored that extension into our budget estimate. Therefore, the month extension of the comment period does not change our Project implementation costs for fiscal year 1999.

Question 266. Several interest groups, including county coalitions, have spoken out in opposition of the Project. What are their specific concerns? What steps have you taken to address their concerns?

Answer. We have worked with a number of interest groups as well as governmental entities including other federal agencies, states, tribes and counties from the inception of this Project in 1994. To the extent possible, we incorporated their concerns into the draft statements. We expect to hear some of their concerns reiterated in comments we received from them during the comment period that closed May 6, 1998, plus additional concerns. We will continue to work with these interest groups, governmental entities and individuals we as prepare the final statement.

We are including copies of two documents (What We're Hearing and Content Analysis Newsletter dated February 19, 1998) that outline some of the concerns we have received. We plan to make available a copy of the final analysis of public comment in late June.

[CLERK'S NOTE.—Due to their volume, the above mentioned publications have been retained in subcommittee files.]

Question 267. What has been the response from Forest Service field managers to plans for on-the-ground implementation of the Interior Columbia Basin Ecosystem Management Project? What has the Forest Service done to address their concerns?

Answer. The BLM and Forest Service field managers agree with the need to address these broad scale issues so they have a framework to plan on-the-ground projects. But as with the public, there is not unanimous agreement on what needs to be included in the plan and the level of specificity in the direction. The land management and regulatory executives plan to work with their field managers in developing the Final EIS and ROD to insure the direction in the plan is feasible to implement.

ROADS POLICY

Question 268. How many acres of forest land will be affected by the Forest Service's recent 18-month moratorium on road building?

Answer. The temporary suspension of road construction in roadless areas would be applied to those projects that are proposed to be built in fiscal years 98 and 99. The suspension does not involve a specified number of acres of land area. After development of a NEPA document for the Interim Rule, the number of miles of proposed road affected by the suspension will be available.

Question 269. Please explain in detail the work that the Forest Service plans to complete during the 18-month moratorium. What actions does the Forest Service plan to take as a result of this work in order to improve the transportation system and improve the health of the land?

Answer. During the 18-month period the Forest Service intends to develop a long-term policy for managing roads on the national forests that addresses the social, economic, and ecological basis for new construction, reconstruction, maintenance, and road decommissioning. The policy will emphasize the rapid assessment of problem areas, integration with Forest Land and Resource Management Plans, and reassessment of the body of science available for making the best road management decision. In addition, an analysis process for implementing the long-term policy, an interim policy for roadless areas access, and the identification of funding sources needed for implementation will be included. The process will be adaptable to local situations in order to assure that relevant information is provided to decision makers at an affordable cost. Finally, the process will consider the budgetary impacts of the alternatives, including addressing deferred backlog and other long-term costs. Finally, the process will consider the budgetary impacts of the alternatives, including addressing deferred backlog and other long-term costs.

The January 28, 1998, Advance Notice of Proposed Rulemaking published in the Federal Register indicates that the Forest Service is serious about revising its regulations to better address how the national forest road system is developed, used, and maintained. The substantial reasons for undertaking these changes are outlined in the notice.

The analysis process will not be a new decision process, nor will the results of the analysis constitute an agency action. Rather, it will provide a management strategy and important information that can be used when making future decisions about constructing, reconstructing, relocating, decommissioning, and maintaining roads. The information developed through implementation of the new analysis will feed into existing National Environmental Policy Act and National Forest Management Act decision processes. While we will work to implement the new analysis process within the 18-month period, we recognize that there will be budget and resource limitations and have never intended to fully implement on-the-ground changes to the road system within that period. In order to implement the process it will be necessary to complete additional inventory work on some national forests. The complexity of the inventory will vary with the complexity of issues and site conditions related to the local transportation system.

The agency currently has a team of scientists and forest managers working to develop the analysis process. Once drafted, it will be subject to peer and management reviews and will be tested on several national forests. The feedback provided from these tests and reviews will play a key role in finalizing the process. Once the new analysis process has been completed on a forest, or at the end of the 18-month period, the suspension would be lifted.

The new transportation policy and analysis process will provide the minimum road system to best serve current and anticipated forest management objectives and public uses. We will more carefully consider decisions to build new roads, will aggressively decommission unneeded roads, and will aggressively upgrade and maintain the most critical roads to provide safe public use, ensure economically affordable and efficient management, protect and restore natural resources, and minimize ecological impacts.

Question 270. Is it expected that the time needed to complete the road inventory will take longer than the 18-month moratorium?

Answer. We have sufficient forest development road inventory data to develop the new road policy and analysis process within the 18-month period. Currently, the forest road inventory formats vary widely across the Forest Service. We anticipate a significant effort will be needed to standardize the inventory format, map the location of existing forest roads, and expand the inventory to include all other travelways for implementation of the new road policy and analysis process.

PAYMENTS TO COUNTIES—PROPOSED LEGISLATION

Question 271. Does this proposed legislation also apply to states covered by the northern spotted owl payments? That is, will those states covered by the owl payments also get an annual payment level equal to the greater of the fiscal year 1997 payment level or 76 percent of the fiscal years 1986–1990 average payment?

Answer. Yes, the proposal would replace the existing State payments, including those States currently receiving payments for counties with National Forests affected by decisions related to the northern spotted owl.

Question 272. Does this policy include provisions for periodic assessments that adjust payments for inflationary purposes?

Answer. No. As with the existing Forest Service payments to States, the stabilization proposal does not include an adjustment for inflation.

Question 273. Are there some regions of the country or specific counties that will be negatively affected in the long run by this proposal? If so, which ones?

Answer. This is dependent on whether actual National Forest revenues increase, decrease, or remain constant in the future. The long range budget projections indicate continued funding declines from $233 million paid for 1997 to less than $216 million estimated to be paid for 2003 (−7.4 percent) on a national basis. We don't have an assessment of the projected revenues for all areas below the national level.

Question 274. Is it possible that future receipts will be greater than the guaranteed payments? What does the Forest Service plan to do in those years?

Answer. The total payments to States funding for each year of the budget long range estimates is projected to be greater under the stabilization proposal than with the projected receipt collections. The long range budget projections indicate continued funding declines from $233 million paid for 1997 to less than $216 million estimated to be paid for 2003 (−7.4 percent) on a national basis. In exchange for a stable, predictable payment level, the payments under the stabilization proposal will neither decline nor be increased due to future revenue collections from national forests. This more stable, predictable payment will allow states and counties the opportunity to better plan the use of these funds.

Question 275. What are the implications of this policy relative to future Forest Service timber production levels? Are future production levels expected to increase, decrease, or remain level?

Answer. Implementation of the payments to counties stabilization proposal should have no effect on the timber sale program. Decisions regarding the timber program will continue to be made independently of the payments to counties funding as they have in the past. Timber sales are planned and executed using funding from discretionary and mandatory appropriations that have no relationship to the amounts of revenues paid to the counties. Should the payments to counties stabilization be implemented as proposed, most of the revenues now being paid to counties would be returned to the Treasury.

With the costs of conducting a vegetation management program on the national forests continuing to rise we expect a continued slow decline in production levels in the future given stable funding levels. Whatever is decided about payments to counties would have no effect on this trend. We believe that our proposal would be most helpful to rural communities in guaranteeing a higher, fixed income, plus permitting greater certainty and opportunities for more effective local planning and spending.

Question 276. What are the PAYGO implications of the proposed policy?

Answer. Briefly, the proposal recognizes that there has been a significant decrease in FS timber receipts due to operating a smaller program which is consistent with balancing all forest resource values as required by law and as enforced by the courts. The large component of low-value salvage sales in the timber program has also contributed to the reduction in receipts. Faced with a similar, but localized, situation in the spotted owl forests in 1993, the Administration and the Congress agreed to cushion the blow of reduced receipt-sharing payments to county road and school budgets by providing 85 percent of the 1986–1990 average payments, reducing the guarantee by 3 percent each year. The Administration is proposing to provide all of the roughly 800 counties that receive payments with the same guarantee using the 1997 level of 76 percent. Those counties that had a higher level of payments based on 1997 receipts would receive that higher amount. The Department's

Office of Budget and Program Analysis has provided more detail including a discussion of offsets.

[The information follows:]

Proposal

Under existing law, 25 percent of most Forest Service receipts are paid to the States for distribution to the counties in which the forests are located for financing roads and schools. About 800 counties across the Nation receive such payments. Historically, the largest source of receipts is from the sale of timber on the National Forests. Timber receipts have declined in recent years due to the need to manage forests on an ecosystem basis which takes into account the needs of a broad range of resources such as wildlife, water quality, and outdoor recreation. In addition, the program emphasis has shifted from timber production and sales as a strictly commodity activity to forestland management. A significant portion of the program now consists of the sale of dead and dying trees to achieve forest health objectives. Such material commands much lower prices than the large volumes of timber sold in the past.

In recognition that the payments generated by the forests affected by the northern spotted owl litigation had dropped precipitously, the President's Forest Plan included an economic package that supported legislation enacted as part of the 1993 Omnibus Budget Reconciliation Act, which established payments for those forests at an annually declining percentage of the 1986–1990 average payment. For 1997, the percentage was 76 percent and it would decline to 70 percent in 1999, under the current legislation. In recent years, payments to the States in other regions have declined significantly. In order to provide all county governments with a predictable and equitable level of payments for the national forests, the Administration will propose legislation later this year to stabilize the payments. The 1999 estimate of $270 million is based on providing each county with the guarantee currently extended to the owl forests of 76 percent of the 1986–1990 average payment. For those counties where the 1997 payment was greater than that amount, the payment is frozen at the 1997 level. The budget estimates that the proposal would cost $10 million more in 1999 than would the program operating under the current legislation. Under the proposal, the payments will continue to be funded by a permanent indefinite appropriation. This ensures that payments will not decline in future years.

Offset

The 1999 Budget for the Department of Agriculture proposes a number of changes in programs that are considered "direct spending" under current budget conventions. For the most part, these proposals would require changes in permanent statute and would be under the jurisdiction of the Congressional legislative authorizing committees rather than the Appropriations Committee. This is the case with the proposed change in the Forest Service Payments to States program. Such changes that result in increased spending require offsetting reductions in other direct spending programs or alternatively increased revenues such as user fees. This is generally referred to as the pay-as-you-go or PAYGO requirement. The requirement applies to discretionary spending as a whole. Offsets do not have to come from programs within the same agency or even the same cabinet Department. In general, the Administration's proposed spending increases, taken as a whole, are offset by the proposed decreases and increased user fees, again taken as a whole. Thus, it is not possible to relate any one specific increase to a specific offset.

For your information, the PAYGO proposals in the President's 1999 budget are set out in full beginning on page 348 of the Budget of the United States Government: fiscal year 1999. The proposals for the Department of Agriculture are shown below displaying the deficit impact by fiscal year in millions of dollars.

Food Stamps deficit impact

[In millions of dollars]

Restrict States; ability to increase Federal outlays by shifting administrative costs from TANF to food stamps and Medicaid (food stamps component)	
1998	.....
1999	−$160
2000	−185
2001	−190
2002	−195
2003	−200
Restore benefits for vulnerable groups of legal immigrants (food stamp component)	
1998	100

Food Stamps deficit impact—Continued

1999	535
2000	500
2001	455
2002	460
2003	480
Shift certain crop insurance spending to mandatory	
1998	.....
1999	185
2000	123
2001	118
2002	127
2003	137
Limit catastrophic crop insurance payments to $100,000	
1998	.....
1999	.....
2000	−15
2001	−30
2002	−30
2003	−30
Increase Environmental Quality Incentive Program (EQIP)	
1998	.....
1999	13
2000	49
2001	70
2002	59
2003	52
Forest Service Payments to States (delinking from receipts)	
1998	.....
1999	10
2000	22
2001	30
2002	41
2003	48
Rural EZ/EC economic development grants for Round II	
1998	.....
1999	.....
2000	7
2001	16
2002	19
2003	19
Restructure Export Enhancement Program (EEP) consistent with market conditions	
1998	.....
1999	−230
2000	−359
2001	−258
2002	−258
2003	−270
Restructure CCC cotton user marketing certificates consistent with market conditions	
1998	.....
1999	−110
2000	−48
2001	.....
2002	.....
2003	.....
Spend existing and new Forest Service recreation and entrance fees	
1998	.....
1999	.....
2000	3
2001	3
2002	3
2003	3

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

Question 277. The Forest Service recently released its Natural Resources Agenda to focus agency efforts in four areas. Does this Agenda represent a departure from the Forest Service mission? To what extent does the fiscal year 1999 budget request further your capability to implement the Agenda?

Answer. The Forest Service Natural Resource Agenda supports the main purposes of the 1897 Organic Act for the National Forests: maintaining watershed health, providing clean water, and maintaining a sustainable supply of timber. The Agenda is tiered directly to the Forest Service Results Act (GPRA) strategic plan. Compared to fiscal year 1998, the fiscal year 1999 President's budget supports each of the four elements of the Agenda. For example:

Watershed health

—A $12.6 million (49 percent) increase to provide an additional 12,000 acres of watershed improvements and expand clean-up of hazardous materials on Forest Service lands.

—A $14.9 million increase (15 percent) in the Wildlife and Fisheries Habitat Management program in the areas of habitat restoration and partnership programs.

—A $20 million (112 percent) increase in Rangeland Vegetation Management to begin the first year of a multi-year cooperative effort to address both the status and restoration of rangeland, including riparian areas.

Sustainable forest management

—An increase of $10 million (5 percent) for Forest and Rangeland Research with primary emphasis given to Forest Inventory Analysis, forest health monitoring, and climate change technology.

—Funding increases for a number of State and Private Forestry programs to help individual landowners, communities, and States capture the benefits of trees and forests through planning and stewardship. 490 million acres in the U.S. are in non-federal ownership.

—A $15 million (30 percent) increase for hazardous fuels reduction.

Forest roads

—An increase of $8 million (9 percent) focused on road reconstruction to protect and restore watersheds, improve safety, and provide appropriate access for utilization of forest resources.

—A $22 million increase (26 percent) to fund the decommissioning of 3,500 miles of roads and increase the percentage of roads maintained to standard.

Recreation

A $21.1 million increase (10 percent) in the Recreation Use program focused on recreation facility and trail maintenance.

Question 278. The Forest Service Budget request includes a substantial increase for fish and wildlife management. What public benefits accrue from fish and wildlife resources on the National Forests and Grasslands, and to what extent will this additional funding contribute to additional public benefits?

Answer. In 1996, wildlife and fish recreation expenditures tied to national forest tallied $6.8 billion in association with 125.7 million visitor days of hunting, fishing and wildlife/fish-associated viewing. Anglers spent $2.7 billion (46.8 million visitor days), wildlife/fish viewers spent $2.1 billion (52 million activity days), and hunters spent $2.0 billion (27 million activity days) in pursuit of their pastimes. This $6.8 billion in direct spending translates to a total of $20 billion in local economic output and 226,000 jobs. Specific examples include:

—Commercial salmon harvest from the Tongass National Forest averages 120 million pounds per year, with an average annual earnings of $66 million. Meanwhile, sportfishing numbers in Southeast Alaska increased by 62 percent from 1984–93, a significant revenue source for local economies.

—In 1997, nearly 183,000 people joined in "Celebrating Wildflower" events on national forests.

—The Forest Service and their partners held 3,985 aquatic education events in 1997 that landed 274,000 people. Events included National Fishing Week, Pathways to Fishing clinics and classroom talks.

—Under Recreation Fee Demonstration Pilot program, in 1997 a fee of $36 was charged to view Brown Bears at Pack Creek on Admiralty Island National Monument, Alaska. The new fee raised $37,990 for this limited access site and did not effect visitation since site saw an 11 percent increase in use over last year. The revenue generated will cover the cost of implementing the fee program and allow the additional dollars to be used to pay for site expenses.

Any increases in funding will be used for habitat improvements and restoration, development of new hunting, fishing and viewing opportunities, and expansion of existing opportunities.

Question 279. Your proposal to place a moratorium on road construction in most roadless areas has been highly controversial, among industry and environmental groups. Given this controversy, why have you placed so much emphasis on making changes to the way in which you manage the National Forest road system?

Answer. Our proposal to suspend temporarily road construction in roadless areas is a matter of accountability to the American taxpayers. It is designed to give us time to develop new scientific tools that our managers can use to make more informed local decisions about when, and if, to construct new roads.

Question 280. Now that you have your natural resource policy on track, how long will it take to straighten out several years of fiscal chaos, civil rights neglect, and uncertainty about natural resources policy? What can this Committee do to help?

Answer.

Fiscal.—Resolution of financial management issues identified in recent audits of Forest Service annual financial statements are dependent upon several factors. Key Agency positions responsible for providing financial management leadership, i.e. the Chief Financial Officer and the Director of Financial Management, will be recruited within the next several months. In addition, the Agency has recently recruited and filled several other financial management positions which were vacant. These positions included the Agency's Assistant Director of Financial Management for Operations and the Agency's Assistant Director of Financial Management for Fiscal Policy and Analysis.

Implementing the new USDA accounting system titled the Foundation Financial Information System (FFIS), will also be critical in resolving the Agency's financial management issues. This new system, working in conjunction with associated feeder systems such as those for payroll, travel and purchasing, will provide state-of-the-art technology for data entry, data retrieval, and report preparation. Pilot testing of FFIS is currently taking place in two Forest Service regions and a research station. This pilot stage of implementation began October 1, 1997. Full implementation Agency-wide, with a software version that is year 2000 compliant, is scheduled for October 1, 1999.

Civil rights.—The Forest Service's number one challenge in Civil Rights has been to resolve the 425 complaints identified in the Civil Rights Action Team Report issued in February 1997. To resolve the complaint backlog , the agency proposed a special initiative in partnership with the Acting Assistant Secretary for Administration, USDA.

Currently, there are 167 unresolved complaints.

By the end of fiscal year 1998, we hope to see improved success in the area of EEO complaints because of a greater emphasis on preventative programs such as Early Intervention and Mediation, and work environment action plans developed as a result of the Continuous Improvement Program (all-employee survey). These programs, combined with new accountability systems, will work to foster an environment where employees and managers are free to discuss concerns openly and take appropriate steps to resolve complaints.

Natural resources.—The Natural Resource Agenda will help to resolve uncertainties about where the Forest Service will focus its priorities with regards to developing programs, budgets, and actions to address these critical areas. These priorities include watershed restoration and maintenance, sustainable forest ecosystem management, forest roads, and recreation.

The committee can help by supporting the President's Budget proposal which proposes more than $120 million in new spending on watershed protection and restoration. This will allow for an increase in stream and streamside restoration by 40 percent, habitat restoration for threatened, endangered, and sensitive species by 30 percent, and abandoned mine reclamation by 50 percent.

QUESTIONS SUBMITTED BY SENATOR HARRY REID

RANGELAND MANAGEMENT

Question 281. The fiscal year 1999 Forest Service has asked for a large increase in its range management funding. How does the Forest Service plan on using these funds? What kind of assurances will the agency provide that the funds will be used on the ground to fund project work?

Answer. Almost all of the $20.3 million increase is in the Rangeland Vegetation Management portion of the budget. $16 million of the increase is provided under

the President's Clean Water and Watershed Restoration Initiative. These funds will allow the Forest Service, in partnership with other USDA and Interior agencies, to begin the first year of a multi-year cooperative effort to address both the status and the restoration of rangelands. The Initiative will focus on rangeland restoration, classification of range types, assessment of current range conditions, and provide for monitoring for the effectiveness of restoration practices and management modifications. These efforts will enable significant progress in NEPA analyses of grazing allotments required under the 1995 Rescission Act. The remaining funds would be used primarily to restore range vegetation through non-structural improvements. Much of the work described above supports the objectives of the President's Clean Water Action Plan, and is on-the-ground project oriented.

Question 282. The Rescissions Act of 1995 directed the Forest Service to complete NEPA on all allotments where NEPA is needed. What progress has the Agency made? Have decisions been implemented? If not, what steps is the Forest Service taking to implement these decisions?

Answer. The Forest Service was required in the Rescissions Act of 1995 to develop a schedule for NEPA analysis and management decisions on grazing allotments. The schedule was developed based upon performing NEPA analysis within a period of 15-years. The 15-year period was divided into 5 three year time blocks to make the process more manageable. A total of 2,516 analyses and decisions were planned for fiscal year 1996 through 1998. This is 37 percent of all the analyses needed in 15-years. By the end of fiscal year 1997, analyses and decisions were completed on 1,218 allotments. In fiscal year 1998, an additional 544 allotment NEPA analyses are underway for a total of 1,752 or 70 percent of the analyses planned in the first time block. The Forest Service will be short of its goal of 2,516 allotments by 30 percent or 754 allotments at the end of the first three year time block. While we have fallen short of our ambitious first three year schedule, the accomplishment of 1,752 NEPA decisions in three years represents a 400 percent or greater increase over the rate of decisions prior to the Rescissions Act. It also represents 25 percent of all the decisions needed in the 15-year schedule.

The development and implementation of grazing management plans through NEPA needs input from range specialists, wildlife and fisheries biologists, soils scientists and many others to address the complicated effects of a livestock grazing program. This represents expanding workloads at a time when staff levels are limited or reduced; this has resulted in a growing backlog of NEPA analyses. Work on the remaining allotments will be shifted to future time blocks in the schedule. In the meantime, the highest priority analyses will be conducted first, so to achieve the greater impact as rapidly as possible.

Question 283. How does the President's Clean Water and Watershed Restoration Initiative affect the livestock grazing program of the Forest Service? How does the agency plan to implement this initiative on its livestock grazing allotments?

Answer. The Initiative will provide the funds necessary to make significant progress in implementing new NEPA decisions. Without this Initiative, only minimal rangeland restoration progress has been made by the implementation of new decisions through allotment management plans. The Initiative will provide us with the ability to adequately fund actions recommended in our decisions. Watershed restoration and riparian rehabilitations are important concerns of the public. This Initiative represents the opportunity to continue proper management in most areas and in some locations to just begin the implementation of effective management.

Implementation will begin on allotments of most concern to FS range managers, those locations where insufficient livestock grazing management has resulted in less than desired conditions. Without restoration, livestock grazing will likely be reduced as resource conditions remain stagnant or decline.

Question 284. The rangeland management program receives funding under two separate lines in the Forest Service budget. What is the difference between the two budget lines? Isn't the rangeland program simple enough so that a single funding line would cover all activities: How is the noxious weed program provided for?

Answer. The Grazing Management line item provides for the continuation of permitted livestock grazing through the issuance and administration of term grazing permits and the application of sound management practices on grazing allotments.

The Rangeland Vegetation Management line item provides for:

—Managing rangeland vegetation to achieve conditions prescribed in forest plans and refined in project decisions, and performing monitoring to ensure conditions are maintained.

—Developing non-structural improvements that contribute to ecological objectives, provide for sustainable forage for livestock and wildlife, improve soil stability, improve water quality, and protect watersheds. Due to funding limitations,

structural improvements are primarily funded through the Range Betterment Fund.

—Providing for the protection, management and control of over 2,000 wild horses and burros on NFS lands. These activities are coordinated with BLM.

—Managing infestation of noxious weeds and preventing further infestations through implementation of the Forest Service and USDA noxious weeds strategies. The Forest Service fiscal year 1999 budget proposal provides $5 million for the noxious weeds program—$4 million under the regular program and $1 million to support implementation of the Interior Columbia Basin Ecosystem Management Project under the Presiden'ts Clean Water and Watershed Restoration Initiative.

There is significant pressure on the Rangeland Management budget to conduct and implement NEPA analyses of grazing allotments required under the 1995 Rescissions Act. Funds from both the Grazing Management and Rangeland Vegetation Management expanded budget line items are used to fund the work—and meet the 15 year schedule—required under the Rescissions Act. Funds under the Rangeland Vegetation Management enable data collection and ecological analysis to support NEPA analyses, however the subsequent NEPA documentation and public involvement work is performed with Grazing Management funds. Further, both expanded budget line items fund work to carry out final NEPA decisions—grazing administration, range improvements, and monitoring. Thus, the budget structure separates into two funding activities what should, from a management standpoint, be logically be viewed as one activity. This is a significant structural issue because much of the Rangeland Management budget is focused on meeting the requirements of the 1995 Rescission Act, and because limited funding under one expanded line item could prevent NEPA work from being accomplished that would not be the case if the two line items were merged. The Forest Service supports changes to its budget structure that provide more flexibility to and accountability by managers on the ground to address resource management needs. Merging these two expanded budget line items would accomplish this objective.

CONCLUSION OF HEARINGS

Senator GORTON. Thank you very much, that concludes our hearings, the subcommittee will stand in recess awaiting the call of the Chair.

[Whereupon, at 1:08 p.m., Thursday, April 23, 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 1999

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 R. DEAN TICE, EXECUTIVE DIRECTOR, NATIONAL RECREATION AND PARK ASSOCIATION

Mr. Chairman: The National Recreation and Park Association commends the Subcommittee for its fiscal year 1998 actions which set aside $100 million from the Land and Water Conservation Fund for state assistance. We share your disappointment in the results of conference negotiations with the House. We are also concerned with the decision to use a portion of the LWCF appropriation for operations and maintenance of federal land systems. The decision to use a portion of the $699 "reserve" to address operations and maintenance could create a pattern which threatens future use of LWCF funds for their intended purpose: to aid the acquisition of land and water resources at strategically important places and to develop and enhance of the capacity and quality of state and local recreation sites and resources.

We urge the Subcommittee to consider the following for fiscal year 1999:

—A significant, sustained increase in public investment from the Land and Water Conservation Fund, including an appropriation of not less than $200,000,000 to restore the state assistance program as a catalyst for efficient reinvestment of public resources where they are most needed.

—At least $25 million for the Urban Park and Recreation Recovery Program to aid and encourage restoration of the most distressed urban park systems and to stimulate innovation in recreation services.

—Amounts sufficient to enable the National Park Service to increase its capacity for technical assistance to local and state governments—including the conservation of decommissioned military installations for recreation and resource conservation, and to aid others in conserving and making publicly accessible rivers and trails and other recreation resources.

We believe these recommendations are well within the nation's fiscal capacity to address and urge the Subcommittee to make every effort to respond. We also believe that the partnerships encouraged by these investments have the high probability of containing federal costs over time.

WHY INVEST NOW?

There is a growing imperative to return a greater proportion of public fiscal resources—principally Outer Continental Shelf revenues—to the American people for public recreation and parks. This imperative is both social and physical, and will increasingly be influenced by the changing demographics of the American people.

In a social context, prudent investment in public recreation resources and services addresses some of the most obvious challenges of the day. We are largely a sedentary nation, for example, and while overweight young people can avoid the resulting health risks, as they age their health typically declines while health costs escalate. As the "boomers" move ever closer to retirement age the present $1 trillion per year national cost of health care may seem like a good deal. Further, as the nation ages and its ethnic composition changes, so, too, will the very nature of recreation demand. This subcommittee and others should initiate specific inquiries to examine the conditions which will influence longer term (at least to the year 2025) recreation demand and necessary public responses.

At the other end of the age spectrum, we spend large sums of public resources to address conditions which influence the life of the nation's youth. While the vast majority of young America avoids serious negative antisocial or criminal activity, many end up costing society about $30,000 each per year through the juvenile justice system.

The actions of this Subcommittee directly impact the "quality of life" for millions of people. In defense of reduced investments in public parks and recreation, some urge that we reduce spending first to not burden posterity with a debt accumulated by this generation. Certainly we must make prudent investments. But if we do not adequately invest today in recreation and park resources and services we burden our children and their children with a deficit of opportunity, and a legacy of diminished health and wellness and environmental quality.

The Congress need only examine proposals by the Administration and scores of members of the 105th Congress to put our recommendations in fiscal context. Among proposals:

—A budget request of $1,000,000,000 ($200 million a year for 5 years) to increase spending on after-school activities, including recreation services, through the U.S. Department of Education's 21st Century Schools Program.

—An element of S. 10, the proposed Violent and Repeat Juvenile Offender Act, now pending in the Senate includes a $500,000,000 per year "prevention" block grant, notwithstanding that up to 60 percent of it will likely be reserved for activities which differ from most perceptions of "prevention," that is, actions which prevent crime before it occurs.

—Reauthorization of the Older Americans Act, including findings and policy which recognize that older adults can often stay healthy with moderate physical activity, including walking.

—A request in excess of $550,000,000 per year for the federal Community Oriented Policing Services (COPS) program.

—A proposal to eliminate federal disaster relief eligibility for state and local park and recreation resources if they produce any revenue.

CAPITAL INVESTMENTS IN PARKS AND RECREATION

It is inconceivable that we are prepared to take—or have already undertaken—so many costly actions, which largely ignore the record of recreation as a mitigating factor in each area. Our recommendations also address known capital investment needs. In 1994, we surveyed nearly 500 local park and recreation agencies selected randomly nationwide to determine the needs, priorities and probable funding sources for capital investment for fiscal years 1995–1999. A similar 5-year survey was completed in 1990, and we will initiate a third inquiry for the period 2000–2004.

Local park and recreation agencies reported a total of $27.7 billion in capital investment needs nationally for rehabilitation of public park and recreation facilities, land acquisition, and new construction. They expected to have less than half that amount available. While the total estimated need is down from $30.4 billion reported five years ago, the expected budget shortfall increased seven percent. New construction ranked highest with a total need of $13.6 billion (49.9 percent) nationwide, with an average need per agency of over $3 million. Rehabilitation and restoration needs nationwide totaled $8.8 billion (32.3 percent). The average need per agency was just under $2.2 million, up from $1.8 million in the previous survey. Land acquisition needs through fee simple acquisition or non-title action totaled almost $5 billion (17.9 percent) nationwide.

WHY PARTNERSHIPS?

The Land and Water Conservation Fund and the Urban Park and Recreation Recovery Program were conceived as fiscal and, in some circumstances, recreation resource partnerships. In a fiscal sense, it can be highly efficient to return national public resources to state and local decisionmakers to address perceived needs. Two

well-established parks illustrate the principle of shared conservation, recreation goals and savings.

Assateague State Park, with over 750 acres in Worcester County, Maryland, clearly illustrates federal costs savings. It encompasses over 2 miles of Atlantic Ocean frontage, plus marshes and forests on Sinepuxent Bay. The state park and northern unit of the national seashore host about one-half million visits annually. The National Geographic Society's Traveler magazine in 1994 selected Assateague State Park as one of the 50 best state parks in America.

Assateague State Park bears the major impact of visitors to the northern end of Assateague Island. It has about 350 developed campsites (compared to about 200 in the national seashore). It annually pays the salaries of 10 year around state employees—and some 40 more seasonal workers. Recent capital investments include an estimated $500,000 for an additional full service campground, and about $1,500,000 for the complete renovation of the park's central day use facility, including a contact station, board walk, showers, parking, change facilities and concessions. "The coordination (between state and federal managers) of policy and operational matters works well," a senior Maryland Forest and Park Service official observed. "If the state had not responded to public demand, then the (National Park Service) would be forced to," he added. What would be the cost in perpetuity to the federal government of development, maintenance, and management?

Other Maryland forests and parks—Fort Frederick, Gathland and South Mountain state parks—help conserve the record of nationally significant actions or places.

Indiana Dunes State Park, Indiana, represents another area where early and continuing state investment and management disperses user impacts and costs that would otherwise be borne by the federal government. Visitation to the state park in 1996–1997 was nearly 800,000, the highest of all Indiana state parks; 42 percent were out-of-state visitors.

Indiana Dunes State Park was established in 1925, and is today comprised of about 2,200 acres of Lake Michigan shoreline and beach, dunes, woods, and marsh areas. 1,530 acres is dedicated as Dunes Nature Preserve. As early as 1916, there was a proposal to create a national conservation area at the Dunes. The park has scenic, natural and historic values. Donations from industrialists in the area and money from a tax levy paid for the park's acquisition. Because the land was in private ownership with many landowners, acquisition took several years to complete. The special features and activities of this park are the dunes, which contain some of the most unique flora and fauna in the Midwest, and swimming and hiking. On summer weekends, this state park receives maximum usage of the beach, picnic areas, and the campground, and campers are frequently turned away. Many of the activities available at Indiana Dunes State Park are also available at the neighboring national lakeshore.

Similar to Maryland, other Indiana state projects tend to lessen the pressure on federal resources. At Lincoln Boyhood National Memorial, for example, federal employees take advantage of a $3,000,000 outdoor amphitheater in the state park.

The National Recreation and Park Association shares your subcommittee's deep concern for the health and welfare of the American people and others who live within our borders.

For these and other reasons, we urge the Subcommittee to consider fully our recommendations.

PREPARED STATEMENT OF DANIEL P. BEARD, SENIOR VICE PRESIDENT, NATIONAL AUDUBON SOCIETY

Chairman Gorton and Members of the Subcommittee, on behalf of the National Audubon Society's more than 550,000 members, and over 500 chapters in communities throughout the United States, I would like to thank you for the opportunity to submit this testimony on 1999 Interior Appropriations budget requests. Audubon's priorities for the 1999 Department of Interior budget are focused on programs that protect birds, other wildlife and their habitats for the benefit of all Americans. America's public land and wildlife resources belong to all Americans. This priceless natural heritage will be lost without adequate funding for the staff and other resources that ensure proper stewardship.

We hope that the fiscal year 1999 Interior Appropriations Act will repeat last year's historic funding levels for several programs that we all care so deeply about. With the strong leadership of this Subcommittee we can also increase funding levels for other programs as well.

Land and Water Conservation Fund

We applaud the Committee for approving last year's historic $969 million LWCF allocation. The LWCF protects forests, wetlands, beaches and other open spaces for the protection of wildlife and the enjoyment of future generations. In many cases, direct fee acquisition from willing private sellers, facilitated by use of the LWCF, is the best way to accomplish long-term protection of priority lands. Purchase of inholdings within wildlife refuges and other federal lands may also result in long-term savings to the federal government because of reduced management costs. While the LWCF is authorized to receive $900 million annually from Outer Continental Shelf (OCS) oil and gas leasing receipts, last year was the first time it achieved that level of funding in more than 15 years. The long-term diversion of funds from the LWCF has translated into lost opportunities to acquire lands of ecological, recreational and cultural significance for preservation for future generations of Americans.

The LWCF state program provides funding for the conservation priorities of individual states. This matching grant program allows states to complete conservation projects at the local level and the matching requirement ensures that states and communities are fully committed to these projects. Eliminating the acquisition funding for state side projects in fiscal year 1996 interrupted ongoing state projects.

While the President's $270 million request for LWCF is significantly larger than last year's initial request, full allocation of the LWCF is needed on an annual basis to meet priority land conservation needs. It is expected that OCS mineral leasing royalties to the federal government will reach $3.2 billion in fiscal year 1999, an increase of $192 million over fiscal year 1998. We join the Americans for our Heritage and Recreation (AHR), of which the National Audubon Society is a member, in encouraging the Committee to take advantage of this substantial increase by allocating the full $900 million. We further request the Subcommittee direct $200 million of the LWCF towards state grants. We have submitted our acquisition priority list separately.

Everglades

For Everglades restoration programs, the President has requested $144 million in funding for the Department of the Interior. We strongly urge the Subcommittee to support the President's Everglades restoration budget.

The most important component of the budget is the $81 million requested for National Park Service's land acquisition account. It is our understanding that the allocation of this portion of the budget request has been amended by the Administration so that Everglades National Park would receive $40 million; the East Coast Buffer would receive $38 million; and Big Cypress National Preserve would receive $3 million. This would provide the National Park Service with sufficient funds to complete acquisitions in the East Everglades Expansion Area, which Congress authorized in 1990; however, unless a more expedited process is created completion of the Park will not occur until 2008 or 2009.

As you know, one of the most important elements of Everglades restoration is land acquisition for water storage purposes. A National Audubon Society report concludes that there is an immediate need to acquire 75,000 acres for water storage in the Everglades Agricultural Area (EAA). We are very encouraged by the Vice President's announcement on December 6th of the "Agreement in Concept" to acquire the Talisman properties, which are located in the EAA. The 75,000 acres we recommended could be approached if the federal government used the remainder of the funds provided under the 1996 farm bill to close on the Talisman properties, and then prudently swapped its non-contiguous parcels and consolidated the contiguous block in the southern Everglades Agricultural Area. We urge the Subcommittee to monitor this situation closely to ensure that the federal investment is protected.

National Wildlife Refuge System

The National Audubon Society expresses its thanks to the Committee for approving an unprecedented $41 million increase in Refuge System operations and maintenance (O&M) funding in fiscal year 1998. These additional funds will make it possible for refuge managers to begin digging themselves out from under the backlog of operations and maintenance needs that have hindered their ability to provide optimal management of refuges.

In 1993, Interior's Inspector General issued a report that documented a $323 million backlog in maintenance projects. This figure has grown to $599 million, jeopardizing the integrity of the entire Refuge System. The President's budget proposes $246 million for O&M, including implementation of the newly enacted "National Wildlife Refuge Improvement Act," the development of comprehensive conservation

plans and addressing the backlog of O&M projects. As a member of the Cooperative Alliance for Refuge Enhancement (CARE), National Audubon supports the objective of incrementally increasing O&M funds for the Refuge System over the next five years (as outlined in CARE testimony prepared by the National Wildlife Refuge Association). While the CARE proposal will not meet optimum funding levels, it will go a long way toward meeting the bird and wildlife conservation objectives that we support for the System.

We also wish to point out that while operations and maintenance allocations are equally important, it is important to note that the Refuge System carries out its regularly scheduled annual maintenance projects through its operations budget. Therefore, ensuring sufficient funding of refuge operations will aid in reducing growth of the overall maintenance backlog.

Last year's increase represents an important first step, and we are hopeful the Committee will continue to provide adequate increases in future years as we count down to the System's Centennial in 2003. For fiscal year 1999, we support a funding level of $277 million for Refuge Operations and Maintenance.

Forest Service

We oppose funding for construction of more logging roads, whether by direct appropriation, or through the device of "purchaser credits." Road building is one of the most environmentally destructive of all Forest Service activities. The President's proposal to discontinue timber purchaser credits and shift the cost of road building to become a direct cost does not adequately address the issue. Taxpayers would still be forced to subsidize additional and unnecessary road building.

We support the Forest Service's request of $107 million for Road Maintenance and the dismantling of 3,500 miles of roads. This money would be spent in a prioritized manner on road dismantling and maintenance of existing roads which will not be removed, but contribute sediment into streams and threaten them with road blowouts and mudslides.

We support the President's proposal to reform Forest Service Payments to States by "de-coupling" them from timber sales. Currently Forest Service Payments to States "in lieu of tax" are made at a level commensurate with timber sales in the state. This system creates a perverse incentive to log in order to support educational and roads programs. The Forest Service's proposal would stabilize these payments so they are not directly dependent on the amount of trees cut, eliminating the perverse incentive to log.

We support increased funding for the Forest Legacy Program. This program protects prime forest habitat while addressing the needs of forest landowners. Currently it only functions effectively in select states. Additional funding will allow it to be expanded to more parts of the country.

An environmental assessment should be prepared prior to reconstruction of forest roads with Emergency Relief for Federally-Owned Roads (ERFO) funds except when emergency reconstruction is necessary to protect life or provide access to inholdings. ERFO funds should only be available for roads that have been open to recreational and general forest users for at least six months of the year for the past five years.

Endangered Species Programs

Audubon fully supports the President's 1999 budget request for the Fish and Wildlife Service's endangered species program of $113 million, nearly a $36 million increase over fiscal year 1998 levels. We believe that this increase is long overdue and necessary to properly implement many of the administrative reforms instituted in recent years by the Fish and Wildlife Service, which have resulted in a substantial increase in that agency's workload.

The President's request includes increased funding for the Fish and Wildlife Service consultation budget, which covers both Section 7 consultations and the rapidly expanding Habitat Conservation Plan (HCP) program. In 1992, the federal government had approved fewer than one dozen HCP's; to date they have approved 225 plans, with another 200 under development. The federal government has an obligation to review and approve all HCP's, to monitor and enforce plans once they are approved, and to respond in the event that unforeseen circumstances require modification of plans. This long overdue increase is needed to fulfill these obligations and process the rapidly increasing number of HCP's.

The President's budget also includes a substantial increase in the Service's recovery budget, which will fund increased on-the-ground recovery efforts, greater involvement of stakeholders in the recovery planning process, expansion of the Safe Harbor program, and the delisting of species. The budget also includes a small but necessary increase in the listing budget, and a $5 million pilot project that will offer

incentives to landowners who take proactive steps to conserve and manage endangered and threatened species habitat.

Preservation of Migratory Birds

In the United States more than 65 million people identify themselves as birdwatchers, contributing more than $20 billion annually to the U.S. economy. Yet year after year the U.S. government fails to sufficiently fund programs that protect nongame birds, despite the fact that it makes good economic sense. Moreover, in conjunction with Partners in Flight, Audubon recently published the WatchList; which contains more than 120 bird species, primarily nongame, that are in decline. Funding for the conservation of these birds today will halt their decline and preclude the need for expensive emergency measures later to prevent their extinction. In recognition of the economic and environmental importance of this natural resource, we urge you to fully fund the following programs.

The Office of Migratory Bird Management (OMBM) provides scientific information and management advice on migratory birds to federal land managers. We believe that the President's budget request of $18.675 million for this key program is inadequate to meet current needs and we urge Congress to increase funding for this program by $10 million. The OMBM has simply been unable to comply with federal statutory requirements to protect nongame migratory birds. Without proper funding, the FWS cannot maintain its trust responsibilities to protect all 780 species of nongame birds, many of which play a critical and invaluable role in the economies of the U.S. and parts of the Western Hemisphere. Additional funding would enable OMBM (1) to monitor the status of our nongame birds; (2) to implement conservation plans that being developed under the auspices of the Partners in Flight program; (3) to provide technical assistance to our National Wildlife Refuges, other federal agencies, and private sector partnership groups; (4) to provide educational and recreational opportunities to some of the 65 million people who actively feed and watch birds.

National Audubon Society would also like the Congress to direct the FWS to fully participate in the development and implementation of a North American Plan for Birds. Currently, only a handful of game species receive adequate funding for monitoring and habitat restoration and acquisition, notwithstanding the fact that nongame bird enthusiasts contribute billions to our economy. The development of such a plan, similar to the North American Waterfowl Management Plan, would greatly facilitate the protection of these birds species.

We also support the activities of the U.S. Fish and Wildlife Service Western Hemisphere Program, which trains protected area managers in Latin America and makes small matching grants for education and grassroots conservation. This is one of the few U.S. programs that benefits North American birds on their wintering grounds in Latin America. Audubon urges Congress to support an increase of $1 million for funding this important program.

Biological Resources Division/USGS

National Audubon urges Congress to increase funding for the Biological Resources Division of the United States Geological Service (BRD). BRD provides sound, unbiased scientific information to federal agencies, state and local governments, private industry and the public, which in turn use this information to make informed natural resource and land management decisions. To ensure the future of these vital programs, the President's request of $158 million should be increased to $175 million. We urge Congress to include an earmark of $1 million for research on the impacts of commercial fishing on seabirds.

National Fish and Wildlife Foundation

The National Audubon Society supports the Administration's request of $6 million for the National Fish and Wildlife Foundation. The Foundation leverages its federal appropriations through the use of challenge grants. These appropriations will fund the implementation of the Partners in Flight North American Bird conservation strategy.

NATIONAL AUDUBON SOCIETY'S LWCF PRIORITIES FOR FISCAL YEAR 1999

Federal Projects

U.S. Fish and Wildlife Service

Balcones Canyonlands NWR, TX; Bayou Savage NWR, LA; Big Muddy NWR, MO; Black River NWR, WA; Cabo Rojo NWR, PR; Canaan Valley NWR, WV; Chincoteague NWR, VA; Ding Darling NWR, FL; Don Edwards San Francisco Bay NWR, CA; Eagle Lakes NWR, WA; Edwin B. Forsythe NWR, NJ; Grand Kankakee Marsh

NWR, IL-IN; Great White Heron NWR, FL; John Heinz NWR, PA; Key Cave NWR, AL; Klamath Forest NWR, OR; Lake Wales Ridge NWR, FL; Lower Rio Grande Valley NWR, TX; Marin Baylands, San Pablo Bay NWR Complex, CA; Montezuma NWR, NY; National Key Deer NWR, FL; Northwest Montana Wetlands Management District, MT; Ottawa NWR, OH; Palmyra Atoll NWR, U.S. Territory; Patoka River NWR, IN; Pelican Island NWR, FL; Red Rock Lakes NWR, MT; St. Marks NWR, FL; San Diego NWR, CA; Silvio O. Conte NF&WR, CT-MA-NH-VT; Stewart B. McKinney NWR, CT; Stone Lakes NWR, CA; Tualatin River NWR, OR; Waccamaw NWR, SC; Wallkill River NWR, NJ; Wertheim NWR, NY; Whittlesey Creek NF&WR, WI.

National Park Service

Big Cypress National Preserve, FL; Elwha and Glines Canyon Dams, Olympic NP, WA; Everglades NP, FL; Everlades East Coast Buffer, FL; Jean Lafitte National Historic Park and Preserve, LA.

Bureau of Land Management

La Cienga Area of Critical Environmental Concern, NM.

U.S. Forest Service

Baca Ranch, Santa Fe NF, NM; Brown Mining Claim, Kalmiopsis Wilderness, Siskiyou NF, OR; Columbia River Gorge National Scenic Area, WA-OR; Lindbergh Lake, Flathead NF, MT; Pinhook Swamp, Osceola NF, FL; San Bernardino NF, CA; White Salmon/Klickitat National Wild and Scenic River, Gifford Pinchot NF, WA.

State Projects

Champion Property, Adirondack Park, NY; Fanita Ranch, CA Mines of Spain, IA; Moosic Mountain, PA; San Dieguito River Valley Park, CA; Santa Maria River Valley, CA; Rodman Ranch and Slough, CA; Whitney Property, Adirondack Park, NY.

PREPARED STATEMENT OF GARY WERNER, CHAIR, PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM

Mr. Chairman and members of the subcommittee: The Partnership for the National Trails System appreciates the support you have given 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 also appreciate the allocation of funds for fiscal year 1998 to directly support the trails administered and managed by the Forest Service and Bureau of Land Management. To maintain the momentum of progress that you have fostered the Partnership requests that annual base operations funding be provided for each of the 20 national scenic and national historic trails for fiscal year 1999 through these appropriations:

—National Park Service—$5.20 million for the administration of 15 trails and for coordination of the long-distance trails program by the Washington Park Service office.

—USDA Forest Service—$2.25 million to administer four trails and $550,000 for portions of 10 trails managed through agreements with the Park Service and Bureau of Land Management.

—Bureau of Land Management—$160,000 for administration of the Iditarod National Historic Trail and $1.20 million for the portions of 10 other trails managed through agreements with the National Park Service and Forest Service.

We ask that you continue to earmark one-third (approximately $600,000) of National Park Service Challenge Cost Share funds for the 15 national scenic and historic trails it administers.

We ask that you appropriate $15.1 million from the Land and Water Conservation Fund fiscal year 1998 Supplemental Appropriation for acquisition of lands by the National Park Service and United States Forest Service to protect the scenic quality of the Appalachian National Scenic Trail.

We also ask that you appropriate from the Land and Water Conservation Fund $1 million to the State of Wisconsin to match state funds available for acquisition of land for the Ice Age National Scenic Trail, $1 million to the State of Florida to match state funds available for acquisition of land for the Florida National Scenic Trail and $250,000 each to the states of Michigan and New York to match funds available for acquisition of lands for the North Country National Scenic Trail.

The $5.2 million we request for the National Park Service will finally provide significant operational support for 8 of the trails that have received little funding. Annual operations funding for the Anza, Trail of Tears, Overmountain Victory, Natch-

ez Trace, California, Mormon Pioneer, Pony Express and Potomac Heritage Trails ranges from $0.00 to $78,000 and averages about $46,000, barely enough money to pay for a federal trail coordinator with little left for projects that nurture the trail. The additional funds we request will provide the first operations money for the Potomac Heritage Trail to support trail planning and development projects with local organizations and agencies.

Similarly, the added funding will enable real progress to be made in marking and interpreting sites along the Juan Bautista de Anza Trail right through the heart of California's largest communities, mobilizing local citizen groups and government agencies. There is also much work to be done, supported by this funding, to inventory, map and interpret the many important cultural heritage sites along the several strands of the Trail of Tears. The Trail of Tears Association, Cherokee Nation and the other displaced tribes are anxious to get on with the work of documenting their heritage in partnership with the Park Service when it has sufficient resources to do the job.

Along the Natchez Trace Parkway and in the southern Appalachian mountains strands of the Natchez Trace and Overmountain Victory Trails are being patiently knit together by small dedicated organizations so that someday hikers will be able to retrace the steps of citizen soldiers of the Revolutionary War and returning Mississippi River boatmen of the last century. The additional funding we request will quicken the pace of these efforts by strengthening the capacity for planning and organizing trail making projects.

The additional funding will also better enable the Park Service to support the innovative interagency Salt Lake City Trails office, a cost effective partnership enabling sharing of resources with the Bureau of Land Management and the Forest Service to cooperatively manage four national historic trails that cover 10,000 miles and extend across 12 states. The completion of the new Comprehensive Plan for the trails and the 150th anniversary of the California gold rush in 1999 has heightened interest in the many strands of the Oregon and California Trails. There will be many opportunities to celebrate and interpret the heritage of these trails in partnerships with state and local historical societies if there is adequate funding to do the necessary organizing.

Looming just over the horizon with the coming new millennium is the Bicentennial of the Lewis & Clark Expedition. The Lewis & Clark Trail Bicentennial Council has been working for several years to guide the planning for this commemoration to minimize damage to irreplaceable resources and to maximize benefits for the Trail. The Bicentennial promises to be a large event with countless activities stretching nearly across the country. To guide this massive event to benefit the heritage of the Lewis & Clark, Nez Perce and the other trails of the National Trails System is an extraordinary undertaking requiring significant financial support. The Partnership's request includes a major increase in funding for planning and organizing activities, interpretation and protection of resources involved in the Bicentennial.

All of these trails are amazingly complicated undertakings, none more so than the 4,000 mile long 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 Trail management that provides high quality "North Country" experiences for hikers. Limited budgets for both agencies have severely hampered their ability to perfect this effective management procedure. The additional funding we request will give them that ability for the first time while also providing greater support for the trail building projects led by the North Country Trail Association, hastening the day when our nation's longest national scenic trail will be fully opened for use.

It is equally important that the national scenic and national historic trails administered or managed by the United States Forest Service and the Bureau of Land Management receive similar 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 these trails receive appropriate priority in annual work plans.

Recognizing the special responsibility for administering three national scenic trails and one national historic trail, the Chief of the Forest Service recommended that $1 million be used for those trails in fiscal year 1995. You directed funding to these trails for fiscal year 1998. Consistent operations funding should be provided annually for these trails and we ask you to appropriate $1.25 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 for fiscal year 1999. 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, Lewis & Clark, California, Iditarod, and Overmountain Victory trails, we ask you to appropriate $550,000 specifically for these trails.

Administration of four national trails, two more than 1,000 miles long and two over 2,000 miles long, each crossing many management jurisdictions, is a complex endeavor. Each of these long trails passes through tens or hundreds of thousands of acres of land with great variations in topography, plant, animal and human communities. Each trail encompasses cultural and natural resources requiring sensitive management. As management endeavors they are comparable in scale and needs to the national forests, yet the Forest Service does not administer them as distinct entities with annual reliable budgets. The Partnership believes these national trails should be administered as distinct entities with appropriate supervision by the Forest Service and asks that you provide the funding and direction to do so. Here are several examples of the projects awaiting along the national trails administered by the Forest Service.

Two major gaps in the Florida National Scenic Trail are poised to be closed through patient negotiations led by the Forest Service and the Florida Trail Association. Trail can now be built across Eglin Air Force Base at the northern end and the Seminole Indian Reservation at the southern end, adding about 100 miles to the completed Florida Trail, if adequate funding is provided.

Last summer the Continental Divide Trail Alliance, with major assistance from the Forest Service and funding support from the outdoor recreation industry, sponsored "Uniting Along the Divide." During this two week long event hundreds of volunteers surveyed the entire 3,200 mile route of the Continental Divide Trail to develop the first comprehensive assessment of the condition and construction and management needs for the Trail. They documented $10.3 million of construction projects needed to complete the Trail. To continue the funding, begun in fiscal year 1998, for this new trail construction we ask that you appropriate $1 million for projects along the Continental Divide Trail in fiscal year 1999.

With critical Forest Service assistance the Pacific Crest Trail Association is growing and assuming greater responsibility for maintaining the western complement to the Appalachian Trail. The Pacific Crest Trail, an original component of the National Trails System, is complete from the Canadian to the Mexican border. However, like the Appalachian Trail, the Pacific Crest Trail is not entirely protected from disruption from end to end. The PCT crosses more than 300 parcels of private land on narrow easements that are not conveniently cataloged so they can be effectively monitored and managed. The Pacific Crest Trail Association has secured a private foundation grant to work with the Forest Service to search out and catalog the legal documents and survey the "on-the-ground" condition of these easements as a baseline for future monitoring. This is a good example of essential work to protect the PCT accomplished through public/private partnership. The project will only be successful if it has sufficient funding and staffing from both partners.

While the Bureau of Land Management has administrative authority for just the Iditarod National Historic Trail, it has on-the-ground management responsibility for 628 miles of two scenic trails and 3,590 miles of eight historic trails administered by the National Park Service and U.S. Forest Service. However, the Bureau of Land Management budget does not reflect this responsibility; the agency receives no funding specifically for these trails. We ask that you appropriate $160,000 for fiscal year 1999 earmarked as a separate budgetary item for administration of the Iditarod National Historic Trail and $1,200,000 for management of the portions of the 10 other trails under the care of the Bureau of Land Management.

The level of annual funding that we request is essential to support the public/private partnerships working to complete these trails. Attachment 3 details the specific funding requests.

The land acquisition accomplished to protect the continuity and quality of the Appalachian Trail has been one of the most successful projects ever undertaken by the National Park Service and United States Forest Service. Today, only 35 miles remain unprotected of the 2,160 mile Appalachian Trail. This far-sighted project to protect the most significant recreational resource in the eastern United States must be continued to successful completion and the Land and Water Conservation Fund which has made the land acquisition possible must be preserved and renewed.

There are many important historical sites and critical stretches of the other national scenic and historic trails that remain unprotected and vulnerable to destruction or loss for public use. The Land and Water Conservation Fund must be available as one source of funds to help acquire these significant resources and protect the integrity and value of America's national scenic and historic trails. At least the annual funding applied to protecting the Appalachian Trail over the past 20 years should be used to protect critical resources of other national scenic and historic trails.

The National Trails System Act encourages states to participate 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. Michigan and New York have funding programs that can similarly help acquire lands for the North Country National Scenic Trail. All of these state resource protection programs are predicated on matching funds. The Partnership asks that you provide grants to these states from the Land and Water Conservation Fund to further assist and encourage their participation in stewardship of these components of the National Trails System.

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. They combine 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, often 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 1997 the trail organizations channeled over 435,000 hours of documented volunteer labor valued at more than $5,628,000 toward completion of the national scenic and national historic trails. In addition the various trail organizations also directly applied private sector contributions of $4,213,943 to benefit the trails. Additional in-kind and uncounted monetary contributions from thousands of volunteers and cooperating organizations would likely double this amount. 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. In fiscal year 1997 $556,062 provided by Congress funded 88 projects throughout the country with a total value of $1,949,069. The $1,393,007 provided by trail organizations and state and local government agencies to support these projects represents a 2.5:1 match to the Federal investment. The array of projects that have been completed with this funding is detailed in Attachment 2. For every trail project funded there is another awaiting funding.

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 Challenge Cost Share programs should be funded as generously as possible as a wise investment of public money that will generate public benefits many times greater than the appropriation made. Directing a portion of those funds specifically toward the national scenic and historic trails will continue the steady progress underway to make these trails fully available for public enjoyment.

ATTACHMENT 1.—CONTRIBUTIONS MADE IN 1997 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	160,850	$2,091,050	[1] $2,425,000
Continental Divide Trail Society	[1] 1,500	19,500	.....
Continental Divide Trail Alliance	18,800	265,630	217,370
Florida Trail Association	[1] 40,000	440,000	138,000
Ice Age Park and Trail Foundation	50,687	658,931	261,861
Iditarod Trail Committee	[1] 12,900	206,400	[1] 70,000
Heritage Trails/Amigos De Anza Juan Bautista De Anza Trail	[1] 6,800	95,200	.....
Lewis & Clark Trail Heritage Foundation	11,763	180,459	166,004
Mormon Trails Association	4,200	58,800	30,000
Iowa Mormon Trails Association	4,360	61,040	32,000
Natchez Trace Trail Conference	1,919	26,886	29,000
National Pony Express Association	1,602	20,826	15,790
Nez Perce Trail Foundation	[1] 3,000	39,000	.....
North Country Trail Association	17,440	212,306	53,877

ATTACHMENT 1.—CONTRIBUTIONS MADE IN 1997 TO SUPPORT THE NATIONAL TRAILS SYSTEM BY NATIONAL SCENIC AND HISTORIC TRAIL ORGANIZATIONS—Continued

Organization	Volunteer hours	Estimated value of volunteer labor	Financial contributions
Oregon-California Trails Association	28,376	397,264	172,796
Overmountain Victory Trail Association	4,400	48,708	500
Pacific Crest Trail Association	41,600	499,200	120,967
Santa Fe Trail Association	[1] 16,300	195,000	71,500
Trail of Tears Association	11,822	165,508	9,139
Trail of Tears Advisory Council	[1] 380	5,320	.....
Totals	439,299	5,686,028	4,243,943

[1] Estimate.

ATTACHMENT 2.—NATIONAL PARK SERVICE CHALLENGE COST SHARE PROJECTS ON THE NATIONAL SCENIC AND HISTORIC TRAILS

During fiscal year 1997 88 projects valued at $1,949,069 were completed in support of the National Trails System trails administered by the National Park Service. These include:

—Trail design and construction: on the North Country, Appalachian, Ice Age, Iditarod, and Natchez Trace Trails; preparation of bridge construction manual for the Appalachian Trail;

—Trail heads and parking facilities: 10 on the Ice Age Trail;

—Bridges, boardwalks and shelters constructed: bridges on the Ice Age, Natchez Trace, North Country and Potomac Heritage Trails; boardwalks on Ice Age and North Country Trails; shelters on the North Country, Appalachian and Ice Age Trails;

—Trail mapping and marking: mapping of the 10 branches of the California Trail and the Applegate Trail in California, of the North Country Trail in Michigan and the Oregon Trail in Idaho and Oregon; route research for the Trail of Tears; trail marking on the western end of the Iditarod Trail, the Mormon Pioneer Trail in western Wyoming, North Country Trail highway crossings in Michigan and New York, the Mormon Pioneer, Oregon and Pony Express Trails across Utah, and the Santa Fe Trail;

—Interpretive signing installed: on the Anza Trail in Los Angeles and the East Bay Region, and wayside exhibits: 14 in Oregon, and 13 across South Dakota for the Lewis & Clark Trail, for the Mormon Pioneer Trail, North Country Trail in Michigan, Oregon Trail at the Columbia River Terminus, 3 for the Santa Fe Trail in Kansas and others in Missouri, New Mexico and Oklahoma and along the Trail of Tears in Kentucky and Tennessee;

—Exhibits and brochures developed: museum exhibits for the Trail of Tears and the Santa Fe Trail Center in Kansas, and at the end of the Pony Express Trail in California; brochures for the Lewis & Clark, Mormon Pioneer, and North Country Trails;

—Natural resource management/Landscape restorations: prairie/grassland restorations on the Ice Age Trail with Dane County Parks Department and at the National Frontier Trails Center; natural heritage inventory along the Appalachian Trail through Massachusetts; preparation of land management handbook for the Appalachian Trail;

—Archeology: on the Santa Fe Trail in Bent County, Colorado;

Funding also supported interpretive program development and work safety training programs for volunteers along the Appalachian Trail, a course for teachers about Indian-White relations along the Oregon Trail in Idaho, and a Spanish translation of an interpretive booklet for the Anza Trail.

ATTACHMENT 3.—PARTNERSHIP FISCAL YEAR 1999 APPROPRIATIONS REQUEST FOR THE NATIONAL TRAILS SYSTEM

Agency/trail	Fiscal year 1998 approp.	Fiscal year 1999 request	Project/programs possible with increased funding
NPS:			
Appalachian	$871,000	$877,000	
Natchez Trace	26,000	151,000	Planning, guidance and support for trail development projects with NTTC.
California	61,000	361,000	Comprehensive Plan implementation: trail brochure, markers and interpretive waysides; Sesquicentennial wagon train and other activities with OCTA.
Ice Age	325,000	331,000	
Juan Bautista de Anza	67,000	217,000	Guidance and coordination of Trail site protection, interpretation and development projects with local agencies and organizations.
Lewis & Clark	399,000	1,174,000	Planning, coordination and support for local Bicentennial projects.
Mormon Pioneer	78,000	178,000	Coordinate interpretive exhibits and route marking with 12 states for 4 trails.
North Country	226,000	376,000	Closer collaboration with National Forests to strengthen management consistency; Trail route planning; Support for NCTA trailmaking projects.
Oregon	103,000	250,000	Interagency collaboration to protect and interpret critical sites like South Pass.
Overmountain Victory	36,000	136,000	Stronger coordination of projects with OVTA; new route signs.
Pony Express	61,000	201,000	Implementation of Comprehensive Plan: support for GIS database, site inventories, certification and interpretation with NPEA and local agencies.
Potomac Heritage		150,000	Coordination of trailmaking projects with organizations and local agencies.
Santa Fe	[1] 460,000	469,000	
Selma to Montgomery	100,000	140,000	Coordination with citizen support organizations and local agencies.
Trail of Tears	42,000	192,000	Survey, protection and interpretation of critical Trail sites with TOTA.
Total National Trails System	3,068,000	5,203,000	
BLM:			
Iditarod	100,000	160,000	Coordination and support for collaborative management with other Federal agencies, Iditarod Trail organizations and State of Alaska.
CDT, PCT, CAT, JBAT, L&CT, MPT, NPT, OT, PXT, SFT.	300,000	1,200,000	Support for on-the-ground projects for BLM managed trail segments; California Trail Sesquicentennial projects and events; Lewis & Clark Bicentennial preparations; Support for Oregon Trail interpretive center.
Total	400,000	1,360,000	
USDA-FS:			
CDT, FT, PCT, NPT	900,000	1,250,000	Assumption of full administrative responsibility and leadership for consistent interagency collaboration for each trail; support for ongoing, consistent management with trail organization and local agency partners; trail brochures, signs, project planning etc.
AT, NCT, IAT, IDT, CAT, L&CT, OT, OVT, PXT, SFT.	300,000	550,000	Support for on-the-ground projects for trail segments in National Forests.

ATTACHMENT 3.—PARTNERSHIP FISCAL YEAR 1999 APPROPRIATIONS REQUEST FOR THE NATIONAL TRAILS SYSTEM—Continued

Agency/trail	Fiscal year 1998 approp.	Fiscal year 1999 request	Project/programs possible with increased funding
Continental Divide	[2] 750,000	[3] 1,000,000	Trail construction projects along the Continental Divide Trail.
Total	1,950,000	2,800,000	
LWCF grants Appalachian Trail	7,200,000	[4] 15,000,000	Complete protection of Appalachian Trail end-to-end.
LWCF grant Florida Trail—Florida		1,000,000	Provide assistance to State of Florida to protect threatened FT corridor and connect trail segments across private land.
LWCF grant Ice Age Trail—Wisconsin [6].		1,000,000	Provide assistance to State of Wisconsin to protect threatened IAT corridor and connect trail segments across private land.
LWCF grants North Country Trail			Provide assistance to States of Michigan and New York to protect threatened NCT corridor and connect trail segments across private land.
Michigan		250,000	
New York [7]		250,000	
Total	7,200,000	2,500,000	

[1] Includes $242,000 for operations of Santa Fe Park Service office, not related to the Santa Fe Trail.
[2] Appropriation resulting from request by Continental Divide Trail Alliance.
[3] Request from Continental Divide Trail Alliance.
[4] Administration request for allocation from supplemental $699 million appropriated for fiscal year 1998. This would be a supplemental fiscal year 1998 appropriation to complete the Appalachian Trail over the next several years.
[5] This would be a grant to the State of Florida to be matched at least 1:1.
[6] This would be a grant to the State of Wisconsin to be matched at least 1:1.
[7] These would be grants to the States of Michigan and New York to be matched at least 1:1.

PREPARED STATEMENT OF BRUCE RUNNELS, CHIEF CONSERVATION OFFICER, THE NATURE CONSERVANCY

The Nature Conservancy is an international, non-profit organization dedicated to the conservation of biological diversity.[1] To date our organization has protected more than 9 million acres in the 50 states and Canada, and has helped local partner organizations preserve millions of acres overseas. The Conservancy itself owns more than 1,600 preserves—the largest private system of nature sanctuaries in the world. Three concepts that have been fundamental to our success are sound science; strong partnerships with public and private landowners; and tangible results at local places. This testimony highlights projects and programs that foster each of these three key factors of success.

In our 45 years of conservation work, perhaps the single most important lesson we have learned is that local communities hold the key to conservation success. Without the support of the people who live in and around the places we are trying to protect, we can never achieve our goals. By making a community's interests ours, and conservation theirs, together we can start developing an ecologically compatible and economically sound vision for the future.

The Nature Conservancy is in the midst of launching the most ambitious fund-raising campaign ever initiated by a private conservation organization. In doing this, we are demonstrating our firm commitment to private investment in biodiversity conservation. But private efforts alone will not suffice. As the largest owner and manager of land across America, the federal government is a critical partner and leader in effecting conservation. In that vein, I respectfully offer the following fiscal year 1999 funding recommendations to the Subcommittee.

[1] The mission of The Nature Conservancy is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy has more than 900,000 individual members and over 1,850 corporate sponsors; we currently have programs in all 50 states and 17 nations. Our Board of Governors includes corporate officers such as Durk I. Jager of Proctor and Gamble and John G. Smale of General Motors, distinguished leaders such as General Norman Schwarzkopf, and renowned scientists such as E.O. Wilson.

Acquisition and Management of Federal Land

We feel that continuing to make additions to the public lands base in high-priority sites is extremely important. We also recognize the tremendous need for getting ahead of the backlog of maintenance and construction problems on federal lands. We believe the Administration's proposed 5-year plan addresses the need to think longer-term about acquisition and maintenance needs. In fiscal year 1998, Congress took a bold step in funding the Land and Water Conservation Fund (LWCF) at its fully authorized level. We urge you to provide that level of investment every year.

Land and Water Conservation Fund.—The Nature Conservancy offers for your consideration a list of biologically rich land acquisition projects totaling $139,405,000. Each project is a high priority for the corresponding land management agency and has active negotiations underway for acquisition. A list of these projects is included with this testimony. We wish to express our sincere appreciation for the Subcommittee's leadership in consistently supporting this important activity.

Stewardship of Public Lands.—In addition to maintaining the infrastructure on our public lands, we must protect our overall investment by maintaining their biological resources. Many of our nation's ecosystems are extremely degraded and are in need of active management. Invasion by alien species is perhaps the most pervasive threat to native biodiversity on public lands, and can be treated through prescribed burns and other techniques. We support all increases proposed in the fiscal year 1999 budget requests of the public land management agencies for stewardship activities. For example, the USFWS' National Refuge System has proposed a $15 million increase in operations to support habitat improvement and other projects.

Scientific Information

A base of high-quality scientific information is needed in order to make sound decisions regarding public and private land acquisition and management. The Conservancy supports strengthening research programs within the Interior Department that relate to status and trends of biological diversity. By making modest investments in information today, we can avoid more costly crisis management in the future. We suggest an increase in funding for the biological research programs within the U.S. Geological Survey (USGS), and specifically within its Biological Resources Division (BRD). We applaud the Administration's request for an $11 million increase for research on habitat and species relationships which will greatly assist Department of Interior land managers. The Conservancy also supports BRD's request of $748,000 for Species at Risk, which funds research on status and trends of sensitive species. By generating information on species before they decline, the program reduces the need for formal listing under the Endangered Species Act (ESA).

Endangered Species Act

It is widely recognized that the federal ESA's chronic lack of adequate funding is a major limitation to its success. Therefore, the Conservancy strongly supports the USFWS's fiscal year 1999 request of $129.9 million to administer the ESA—the most ambitious request ever for this program. Most notably, the new funding would provide incentives to private landowners to protect species, such as candidate conservation and safe harbor agreements. Funds are also included for 100 new Habitat Conservation Plans (HCP's). In carrying out this element, we urge USFWS to adhere to the following principles we feel are crucial to an effective and biologically defensible HCP process: plans are locally developed by stakeholders; they are developed in a regional context; they have a strong scientific foundation; and they include comprehensive monitoring and adaptive management programs. The Natural Communities Conservation Plan now underway in Southern California provides a strong example for successful application of these principles.

We are also pleased to see $17 million requested for the Cooperative Endangered Species Fundunder Section 6 of the Act (grants to states). For the past two years, this Fund has included $6 million for land acquisition related to large-scale HCP's. These funds have been in high demand, and this year the Administration has increased the level provided in its budget to $9 million. The Conservancy supports this elevated level, as we have seen the direct benefits of these funds on the ground in several HCP's where we are involved.

We also urge your support of the Recovery Program for the four endangered fish species in the Upper Colorado River Basin. We join the other partners in this project (including three states, USFWS, Bureau of Reclamation, environmental groups and power users) in requesting $636,000 of resource management funds; at least $200,000 under Section 6; and $308,000 for fish propagation at the Ouray National Wildlife Refuge.

Partnership Initiatives

One of the best conservation investments the federal government can make is one that will multiply its limited dollars. The following programs help leverage scarce resources from both the private and public sectors to increase the total amount of funds available for conservation activities.

National Fish and Wildlife Foundation.—The National Fish and Wildlife Foundation (NFWF) is an excellent example of a federal program that effectively leverages conservation benefits. The Foundation builds partnerships between the public and private sectors to support activities that are focused on solving environmental problems, and has an outstanding record of encouraging and rewarding innovation in natural resource management. For every federal dollar that goes to the Foundation, at least $3 is spent to benefit fish, wildlife and plants. In its twelve-year history, NFWF has awarded 2,420 grants, with $82 million of federal funds generating another $195.7 million in outside money. The Administration has requested the same level as the fiscal year 1998 appropriation for NFWF ($6 million for USFWS, $1.5 million for BLM, and $2 million for USFS). We feel the need is even greater, and recommend $7.5 million for USFWS, $3 million for BLM, and $3 million for USFS.

North American Wetlands Conservation Fund.—One of the most successful conservation programs in the nation is the North American Wetlands Conservation Fund. The Fund supports the implementation of the North American Waterfowl Management Plan, and also funds habitat conservation for nongame wetland-dependent migratory birds, via the international grant program authorized under the North American Wetlands Conservation Act. A variety of partners in Canada, Mexico, and the U.S. have matched federal dollars at more than 2:1 to acquire, restore, and enhance these wetlands. Since this program was established in 1989, the $233.2 million of federal funding invested in its projects have generated an additional $473.4 million of partner funding. As a member of the North American Wetlands Conservation Council since its inception, the Conservancy has been part of the panel that recommends projects for final approval by the Migratory Bird Conservation Commission. The Administration has proposed to increase the funding for this program by $3 million, to $14.7 million. The Conservancy strongly supports this modest but high-leverage increase.

Private Landowner Programs

Private landowners, both large and small, are essential—and often enthusiastic—partners in the goal of protecting biodiversity. Financial and regulatory incentive programs have motivated many private participants to take conservation actions. Private lands collectively are critical to the survival of many rare species and their habitats; federal incentive programs can make them an asset rather than a liability to landowners.

We support the USFWS's request of $27 million for Partners for Wildlife, a program which allows private landowners to undertake long-term protection and restoration projects that benefit species at risk of becoming threatened or endangered. The USFS' Forest Legacy Program provides matching funds to private entities for the purchase of conservation easements on working timberland threatened with conversion to non-forest use. We support a level of $10 million for this program. Challenge Cost Share Programs within USFWS, BLM and USFS offer private landowners a federal match for activities they undertake to manage, restore or enhance natural resources.

Freshwater and Coastal Programs

Freshwater and coastal protection are among the Conservancy's top priorities this year. We were therefore gratified by the announcement of the Administration's Clean Water Action Plan. This program seeks to encourage partnerships between state, local and federal agencies, tribes, and local communities to plan for watershed management. Funds to be devoted to this project are proposed within USGS, BLM, USFWS, USFS, Office of Surface Mining and Bureau of Indian Affairs. We support the emphasis given in the budget to the Florida Everglades and the California Bay-Delta, two ecologically and economically significant watersheds in dire need of restoration. In addition, we urge the Committee to continue to support the USFWS's National Coastal Wetlands Grants which provide matching grants to coastal states and territories for projects involving acquisition, restoration or enhancement of coastal wetlands.

Recommended LWCF appropriations for fiscal year 1999

	Amount
U.S. Fish and Wildlife Service:	
Black River Unit—Nisqually NWR, WA	$3,000,000
Cape May NWR, NJ	3,000,000
Cypress Creek NWR, IL	1,000,000
Darby Ecosystem Protection and Restoration Project, OH	2,500,000
Emiquon NWR, IL	20,000,000
Great Dismal Swamp NWR, VA	1,200,000
Kodiak NWR, AK	1,000,000
Lake Wales Ridge NWR, FL	3,000,000
Morzhovoi Bay Lagoons—Izembek NWR, AK	3,600,000
National Key Deer Refuge, FL	2,000,000
Northern Tallgrass Prairie, MN	1,000,000
Oahu Forest, HI	1,000,000
Ohio River Islands, WV	500,000
Oregon Coastal Refuges, OR	5,000,000
Palmyra Atoll, Pacific Ocean	5,000,000
Point Possession—Kenai NWR, AK	3,000,000
Rappahannock River Valley NWR, VA	3,000,000
Roanoke NWR, NC	2,250,000
Sacramento River NWR, CA	3,000,000
San Diego Refuges, CA	6,000,000
Shadmoor—Amagansett NWR, NY	2,500,000
Stratford Great Meadows—Stewart B. McKinney NWR, CT	2,500,000
Waccamaw NWR, SC	3,700,000
Subtotal	78,750,000
Bureau of Land Management:	
Chadwick Hill—Point Colville Area, WA	1,000,000
Cosumnes River, CA	3,000,000
Otay Mountain/Kuchamaa, CA	2,000,000
Santa Rosa Mountain, CA	1,000,000
Subtotal	7,000,000
National Park Service:	
Cumberland Island, GA	10,900,000
Salt River, USVI	3,500,000
Subtotal	14,400,000
U.S. Forest Service:	
Coronado NF, AZ	1,200,000
Francis Marion NF, SC	3,000,000
Nantahala NF (Thompson and Hennessee tracts), NC	7,100,000
North Fork Flathead River—Flathead NF, MT	1,155,000
Pisgah NF, NC	300,000
Sumter NF (Jocassee Gorges), SC	6,500,000
Valles Caldera (Baca Ranch), NM	20,000,000
Subtotal	39,255,000
Total	139,405,000

PREPARED STATEMENT OF THE WORLD WILDLIFE FUND

World Wildlife Fund appreciates the opportunity to present its views on the President's fiscal year 1999 budget for the Interior Department and the U.S. Forest Service. Generally, WWF is very supportive of the administration's overall budget request, including increases for natural resource management and conservation agencies. Several specific program budgets are important to the organization's goals of recovering endangered species, achieving ecoregion-based conservation, and effectively dealing with global threats—overfishing, toxic chemicals, climate change, and unsustainable logging—to biodiversity.

Everglades Ecosystem Restoration

Scientists at World Wildlife Fund have identified the South Florida Everglades as one of the most unique and important ecoregions in North America, and also one of the most threatened. WWF has selected 25 ecoregions in Africa, Asia and the Pacific, Europe, Latin America and the Caribbean, and North America in which to focus our highest priority attention during the next five years. These are the places we believe simply must be protected if we are going to make a serious effort to save life on Earth. The Everglades is one of the focal 25 ecoregions.

WWF greatly appreciates the attention and the priority this Subcommittee has given to Everglades restoration, especially the fiscal year 1998 appropriation of $136 million for the Interior Department. This figure represents a very significant increase in funding from previous years for the Everglades program.

The administration's request for $144 million for the Interior Department Everglades budget in fiscal year 1999 is only a slight increase over the fiscal year 1998 appropriation. The total South Florida/Everglades funding request in the President's budget is $282 million, including programs in EPA, NOAA and the Department of Agriculture, as well as Interior.

We strongly support this request as the minimum necessary to move forward with Everglades restoration with a continued strong commitment at the federal and state level. It is clear the total price tag to achieve the goals identified for the Everglades system by the intergovernmental federal/state South Florida Everglades restoration partnership will cost at least $3 to $5 billion over the next decade. That estimate will likely be revised by the Army Corps of Engineers as it prepares the Comprehensive Plan for Everglades restoration that Congress required be completed by July 1999.

WWF is pleased that significant progress is being made towards restoration, and we believe a continued investment in federal funds for this purpose is strongly needed. Our optimism is based on the following:

—Public support for the Everglades in Florida and at the national level is strong, and there is a broad recognition that restoring the Everglades ecosystem is an important national goal;

—Everglades restoration has attracted strong bipartisan political support in Washington and in Florida, with the Clinton and Chiles administrations as well as key leaders of both parties in both houses of Congress;

—We now have a clear understanding of how natural hydrological conditions of South Florida have been disrupted to serve urban and agricultural interests, and scientists and policy experts believe nearly natural timing, flow and delivery of water can be restored through much of the Everglades ecosystem while enhancing water supply for urban areas and protecting the needs of agriculture;

—At long last we are at the stage where specific water management decisions and projects are about to happen, which will begin the long process of actual restoration. The announcement this past December by Vice President Gore of the intent to acquire the Talisman sugar cane farm in the southern Everglades Agricultural Area is a good example.

WWF also wants to emphasize the critical importance of a fully funded Land and Water Conservation Fund to the success of Everglades restoration. In fiscal year 1999, the administration has requested $81 million from the fund to purchase lands in the East Everglades expansion area, for water preserve areas, and for inholdings in the Big Cypress National Preserve. The State of Florida continues to acquire property for Everglades restoration from several sources of funding, including its nationally acclaimed P–2000 program, the largest single conservation land purchase program in the country.

LWCF money is essential to the Everglades, and it is important to the conservation and recreation needs of the nation. We are very pleased that the program was nearly fully funded in fiscal year 1998. However, the country needs a commitment of funds to LWCF of at least $900 million every year. The Everglades is one of many national conservation priorities that deserve attention and support from LWCF. The Appalachian Trail, northern New England's forests, the Mississippi Delta, San Francisco Bay and the Baca Ranch in northern New Mexico are a few other examples of nationally significant conservation lands that demand LWCF funding.

We also urge the Subcommittee to restore some reasonable level of funding to the state LWCF matching grant program. It is clear there is a major need for a dramatic increase in federal, state and local support and participation in enhancing and expanding a wide range of urban and non-urban recreation and conservation opportunities throughout America outside of areas served by the federal lands. Congress

should fully fund LWCF, and it should revive and revitalize the State and Local Assistance program.

U.S. FISH AND WILDLIFE SERVICE

African Elephant, Asian Elephant and Rhino/Tiger Conservation Funds

WWF supports the President's request for $1 million each for the African Elephant Conservation Fund and Asian Elephant Conservation Fund and recommends that the Subcommittee increase the President's budget request for implementing the Rhinoceros and Tiger Conservation Act to $1 million as well. Funding allocated under these programs has proven that the spiral toward extinction for these species can be stopped. Additional funds are urgently needed for protected area conservation, anti-poaching efforts, monitoring populations, translocating animals, and mitigating human/wildlife conflicts.

Wetlands for the Future

WWF requests a $500,000 increase in the Fish and Wildlife Service's international budget for implementation of an expanded Wetlands for the Future Program. Specifically, we would like to see the program expanded to Africa. The program currently provides funding for wetland conservation projects and training wetland managers in Latin America and the Caribbean. A phased expansion of the program to developing countries in Africa will provide habitat for a wide range of animals as well as important natural resources for people.

Endangered Species

WWF applauds the dramatic increases in funding for endangered species programs requested by the President for fiscal year 1999, particularly the $18.4 million increase for recovery programs. We enthusiastically support the $5 million earmarked for the Safe Harbor grant program, a promising vehicle for encouraging species conservation on private lands. Unfortunately, much of the increase in the recovery program budget is requested in anticipation of passage of S. 1180, a bill that contains new, extremely burdensome recovery planning procedural requirements of dubious utility. We urge that this increase be retained in full regardless of the fate of Endangered Species Act reauthorization legislation, and used primarily for on-the-ground recovery activities that directly benefit listed species.

Likewise, WWF supports the President's request for an increase of $12.6 million in funding for consultations and habitat conservation planning under sections 7 and 10 of the ESA. Consultation and HCP procedures have been successful at reconciling species conservation with development projects, but monitoring of the impacts of resulting incidental take of species has been lacking. We urge that a large percentage of this budget increase be dedicated to monitoring functioning HCP's and section 7 incidental take authorizations in order to ensure, as the law requires, that those activities are not reducing appreciably the likelihood of the survival and recovery of the affected species.

Environmental Contaminants

WWF believes the USFWS Division of Environmental Contaminants (DEC) is woefully underfunded. At the proposed core funding level of $10.4 million, the program will not meet its objectives of investigating and assessing the effects of environmental contaminants on wildlife and maintaining a "scientifically credible program through proper program support, training, and technical assistance."

After reductions for five consecutive years, funding for the core program has been restored to the fiscal year 1995 level. Yet during this same period, reports from around the nation and the world indicate more strongly than ever that wildlife populations are being stressed by contaminants. The DEC is the government agency best qualified to investigate reports of deformed frogs, feminized male fish, and bird kills caused by legal pesticide use.

The USFWS cannot respond, under its present budget, to these new findings. This past year, WWF called for doubling the proposed budget to $18 million. We are pleased with the modest proposed increase of $1 million enacted, however, a more substantial increase is justified. Core funding for the program should be increased to $18 million to give the USFWS analytical capability it currently lacks, and to help it assist partner states, universities, and other agencies in assessing adverse effects in wildlife. Funds should be used to upgrade the Patuxent Analytical Control Facility and to support forensic field investigations with USFWS partners. These investigations, in the past, have provided early warnings of chemical threats to wildlife and humans.

U.S. FOREST SERVICE

WWF supports the administration's increase in the road maintenance budget and for road decommissioning and stabilization. These increases, however, would still leave more than half our nation's forest road system in need of repair and maintenance. Road failures continue to be a major forest health problem on public lands and have contributed to the degradation of fisheries, water quality, and slope destabilization. Moreover, the 3,500 miles of road slated to be decommissioned is grossly inadequate and would not even meet the demand on most national forest regions, let alone on a national basis.

WWF endorses the cooperative activities of the Forest Service through the activities of state and private forestry programs. Thus, we agree with the administration's request for increases in the Forest Stewardship, Stewardship Incentives, Forest Legacy, and Urban and Community Forestry programs. These programs provide high visibility to the public on forestry operations that are based on sound stewardship and land protection principles and are held in high regard with the public. Our experience suggests that despite such increases, these programs are still largely underfunded and will not be able to keep up with growing demand.

WWF urges the Subcommittee to appropriate at least $12 million for the Forest Legacy program. The program has a proven track record of protecting environmentally significant privately owned forests from being converted to other uses through purchase of permanent conservation easements. Fifteen states currently qualify to participate in Forest Legacy. The administration's request for $6 million in fiscal year 1999 is inadequate. For northern New England alone, the Northern Forest Alliance has identified $26 to $31 million of specific, high priority Legacy projects that need funding.

Thank you again for the opportunity to present our views. We look forward to working with the Subcommittee on the fiscal year 1999 legislation.

BUREAU OF LAND MANAGEMENT

PREPARED STATEMENT OF GERALD R. ZIMMERMAN, EXECUTIVE DIRECTOR, COLORADO RIVER BOARD OF CALIFORNIA

Your support and leadership are needed in securing adequate fiscal year 1999 funding for the Department of the Interior 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.

The President's proposed budget for the Bureau of Land Management (BLM) has included $31,031,000 in BLM's budget for Management of Land and Resources—Soil, Water and Air Management. 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, formally requests that Congress allocate $5,200,000 of these funds for the Colorado River Basin salinity control activities as recommended by the Colorado River Basin Salinity Control Forum.

The Colorado River is, and will continue to be, a major and vital water resource for California. California's Colorado River water users are presently suffering economic damages estimated at about $800 million per year due to the river's salinity, and those damages are expected to increase significantly by the turn of the century without further salinity control measures being implemented. 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 JOE JUDD, COMMISSIONER, KANE COUNTY, UT

Mr. Chairman and members of the Subcommittee on Interior and Related Agencies, I am Joe Judd, a member of the Board of Commissioners of Kane County, Utah. On behalf of the Kane County Commission and all the citizens of Kane County I would like to thank you for inviting us here today to testify regarding the Grand Staircase-Escalante National Monument and the first year of our cooperative planning effort with the Bureau of Land Management and the need for $1,340,000 in additional funding for basic visitor information facilities.

Testifying with me today is the Honorable Karen Alvey, the mayor of Kanab City, Utah, who will testify about the opportunities for an expanded role for the rural communities in the planning process.

When we provided testimony last year, there were many questions and, yes, many doubts about how the joint planning process would work—if it would work at all. The people of Kane County were still angry about the sudden announcement of the monument by the President and were highly suspicious of how they would be treated by the Interior Department and BLM.

We were very fortunate to receive a great amount of advice and assistance from Senator Bob Bennett, Senator Orrin Hatch and their professional staff members.

We concluded that without substantial participation by the local people who know and love the land, the monument plan would never be in harmony with the area. I met with Secretary Babbitt and he indicated a belief in working with the local citizens. He said he wanted the process to work.

So, overcoming serious misgivings, the Commission asked me to provide testimony asking for your support and the funding necessary to allow our participation with the agency.

Senator Bennett suggested language to be included with the Senate bill that would allow us to participate on an official basis with the agency. You graciously accepted that language. Thank you. The support from your committee provided the basis and authority for our role as sanctioned participants and not as subservient and trivial kibitzers.

We have used the opportunity in the first year to work toward a true partnership with the federal government. We have established a mutually respectful relationship with the monument director, Jerry Meredith, and his professional staff. With the funds provided to us by the Department for fiscal year 1997, we formed a selection committee and solicited experts to independently provide recommendations regarding infrastructure requirements, public safety, transportation, and local community needs.

Those preliminary recommendations are in. They present a comprehensive picture of both capabilities and shortfalls in our joint preparations to provide a rewarding national monument experience—while protecting the fragile monument lands.

This year, with the fiscal year 1998 funds requested by the department and appropriated by this committee, we are proceeding to the second phase of the planning process. Our principal areas of concern will be: the gateway community and destination tourism plan; grants to Kane County communities for monument impacts planning; and Kane County services to the monument area.

Mr. Chairman, it is our understanding that the President's fiscal year 1999 budget includes $6.4 million for the monument with $250,000 intended to be provided to each of the two impacted counties. That is the same funding level as in fiscal year 1998.

We are encouraged that the Administration is continuing to recommend a significant level of support. However, with the recommendations of the completed studies in hand, it is obvious that we need to begin now to plan and develop some very basic facilities for both the BLM and the visiting public. The Draft Plan will be completed in September, and the Final Plan in September of 1999, but the need to provide information to visitors is there now. It is non-controversial. The information centers will be adjacent to the monument at those very few established entryways. The identified "gateways." Let me just briefly mention the facilities that are to be located in Kane County:

Monument Headquarters, BLM ($0)

Immediately after the 1996 announcement, the agency entered into a three year lease for headquarters space for the monument director and staff—in Cedar City, Utah. That is eighty miles from the monument. The agency indicated at that time its intent to locate the permanent headquarters adjacent to the monument. With only one and one-half years remaining on the BLM lease, it is extremely important that a new facility be identified and made available as soon as possible.

We are working with the agency in selecting an appropriate site that provides access to the monument and has adequate community amenities for the full-time staff. But it is extremely important that we begin that process as soon as possible. The estimated total cost is $2 million.

This is our number one priority.

However, we are not requesting funds for that purpose. We are exploring other arrangements wherein we would finance the building and lease it to the agency. We respectfully request that the committee include language that directs the Bureau of Land Management to work with Kane County and Kanab City to plan the facility and enter into an agreement to occupy the facility upon completion of construction.

Visitor Center ($650,000)

We also need to move quickly to accommodate visitors. There is virtually no information regarding monument conditions or accessible monument sites in Kane County. Only a tiny portion of this huge area of 3,125 square miles, (larger than the size of the state of Delaware—2,498 square miles) will ever be accessible to the public under our plan. But it is a national monument established for the American people—and an international attraction. We must treat it as such.

The first necessity is a Visitor Center. We are suggesting that a center be located about halfway between Kodachrome Basin State Park to the north and Johnson Canyon on the southern boundary of the monument. This would be on the only currently paved road in Kane County that crosses portions of the monument. A tentative site is located just inside the monument boundary, but on school trust land. It is a very beautiful and dramatic location that would exemplify the character of the monument. We would also include a campground which would have drinking water, rest rooms and showers.

The estimated cost is $2,321,000 for the Visitor Center, and $1,715,000 for the campground. We are requesting that the committee add $650,000 for planning and design in fiscal year 1999.

Information—Interpretive Centers ($440,000)

In addition, there is an immediate need for information centers at Big Water the south-eastern entry to the lands and Glendale, Utah, on the northwest corner of the monument. These would have rest rooms and water. Visitors would be informed of accessible scenic locations and warned of the ruggedness of the area and the lack of even the basic fuel and water supplies—or sanitation facilities.

The estimated costs for design and construction of the visitor information centers is $440,000 and we are requesting that that amount be added to the monument budget.

Planning funds, Kane County ($250,000)

A final item that I need to address is that of Kane County's participation in the planning process. We began this joint program with a grant from the Department of Interior for $200,000. I believe we have demonstrated that we have maximized that funding with an almost unlimited participation and contribution by local officials. This year, the federal contribution will be $250,000. We are grateful that both the department and the Congress has recognized our growing participation. The Bureau's budget reportedly includes the same level of funding to be provided in fiscal year 1999.

However, as the planning process becomes one of implementation to meet the basic requirements related to visitation in such an immense area, the demands on the Kane County budget increase also. As you know, 70 percent of the monument is in Kane County and the elimination of the Smokey Hollow Coal Mine has impacted greatly on the County. Kane County has lost $1,000,000 in anticipated annual revenues.

This year we ask that the amount provided to the county be set at $500,000. We are requesting that the $250,000 be an "add-on." We are not suggesting that the additional $250,000 be transferred from within the amount requested by the administration for the management of the monument. The BLM budget is constrained as it is. This should be in addition to the President's budget.

As we move toward a partnership with the federal government, we need, at least, the minimum resources to be effective.

Thank you again for inviting me to provide testimony for the record.

PREPARED STATEMENT OF JACK A. BARNETT, EXECUTIVE DIRECTOR, COLORADO RIVER BASIN SALINITY CONTROL FORUM

This testimony is in support of funding for the Bureau of Land Management for activities that assists the Colorado River salinity control program. The Bureau of Land Management has reformulated its budgeting process so as to support ecosystems and watershed management. The activities needed to control salinity 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 is 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 the salts in excess amounts are not contributed to the river system. Our analysis indicates that the Bureau of Land Management needs to specifically target the expenditure of funds in the amount of $5,200,000 to

salinity control in fiscal year 1999. The Forum simply supports the President's Budget because we presume, but cannot discern, that adequate funds will move to this needed water quality effort.

Although the Forum has not been able to determine from limited budget documents how appropriated funds will be spent, we are much encouraged by public statements made by Administration officials. Statements have been made as follows: "The BLM is anxious to participate in the implementation of the Administration's Clean Water Action Plan," "The 1999 Budget requests a $16 million increase for implementation of the Clean Water Action Plan," "Together with the USFS and the NRCS we will develop a standardized rangeland health inventory and classification system, by 2000," "It also is responsible for BLM's efforts at reducing salinity," "improve overall management of watersheds and minimize harmful consequences of erosion, saline discharges, water quality degradation," "In 1998, $800,000 is planned for the BLM's Colorado River water quality improvement effort," "Federal Salinity Control—In the tributaries of the Upper Colorado River Basin, BLM will accelerate management actions and facilities maintenance on saline soils to complement the overall salt reduction efforts of Reclamation and the USDA, and our commitments to Mexico." The Forum strongly supports the above-stated intentions.

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 had made via a treaty with 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 the Title II program.

After a decade of investigative effort, 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 a sister agency of the Bureau of Reclamation—the Bureau of Land Management. Congress has charged the Administration with implementing the most cost-effective (dollars per ton of salt removed) program practicable. The Basin states are strongly supportive of that concept, as the Basin states cost share 30 percent of federal expenditures for the salinity control program, while in addition proceeding to implement their own salinity control efforts in the Colorado River system.

Since the Congressional mandates of nearly two decades ago, much has been learned about the impact of salts in the Colorado River system. The Bureau of Reclamation has recently completed studies on the economic impact of these salts. Reclamation recognizes that the damages to United States' water users alone may soon be approaching $1 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 interfacing with federal agencies and Congress to support the implementation of a program necessary to control the salinity of the river system. Forum members are appointed by the governors of the seven Colorado River Basin states. 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 levels measured at Imperial, 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 1996 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 numeric criteria will be exceeded and damage from the high salt levels in the water will be widespread and very significant.

JUSTIFICATION

The BLM is, by far and away, the largest landowner in the Colorado River Basin. Much of the lands that are controlled and managed by the Bureau of Land Management are heavily laden with salt. Past management practices, which include the use of lands for recreation; for road building and transportation; for oil, gas, and mineral exploration; and most importantly, for grazing, 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. Recent reports drafted by the Western Water Policy Review Advisory Commission find this to be true. Congress charged the federal agencies to proceed with programs 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 are more cost-effective than some now being implemented 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 out of the overall requested and authorized budget 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.

DETAILS CONCERNING THE REQUESTED APPROPRIATION

After conferring with BLM officials, the Forum believes there needs to be spent in fiscal year 1999, by the Bureau of Land Management, $5,200,000 for salinity control. We are particularly concerned that the line-item titled Management of Lands and Renewal Resources is adequately funded.

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 sub-activities and the results of those expenditures reported; this is necessary for accountability and for the effectiveness of the use of the funds. The Forum requests that the Committee require accounting by the Bureau of Land Management in such a way that the results of their activities in connection with the expenditures the funds can be reviewed and measured. The Forum made this request last year but we have not seen any improvement in the ability of the BLM to account for its expenditure of funds and accomplishments as their efforts relate to Colorado River salinity control. Please find a way to make BLM accountable.

OFFICE OF INSULAR AFFAIRS

PREPARED STATEMENT OF STEPHEN A. JANGER, PRESIDENT, CLOSE UP FOUNDATION

Mr. Chairman, distinguished members of the Subcommittee, my name is Stephen A. Janger and I am President of the Close Up Foundation. It is a privilege for me to submit this testimony with regard to our work in the Pacific Islands to provide quality civic education experiences for students and educators.

On behalf of all of us at the Foundation, I would like to begin this testimony with a very sincere thank you to this Subcommittee for its support of our efforts. We are fully aware that without the funding provided by the Subcommittee to the Office of Insular Affairs for our programs, it would not have been possible to reach the thousands of students and educators who have benefited so measurably from our programs. We hear over and over again, from students and educators alike, that participation in Close Up's programs has had a positive, life-transforming effect on them. We enjoy having that affirmation of our work, and we know that a large part of it would not have been possible without this Subcommittee's support.

The Close Up Foundation began working with the Pacific Islands 15 years ago. From only a few participants from American Samoa in 1983, the word spread about our program and its educational value. With help from Congress, we now have students and educators participating from American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), the Federated States of Micronesia (FSM), Guam, the Republic of the Marshall Islands, and the Republic of Palau. These island entities have a unique and special relationship with the United States. As these entities develop independence and strengthen democratic institutions, it is vital to ensure that their citizens have an understanding of the important role each of them plays in establishing a democracy and taking responsibility for its continuance. Moreover, many Pacific Islanders are American citizens who deserve the same quality of civic education that is offered on the mainland.

Our citizenship education programs in the Pacific have been aided by this Subcommittee and the Congress with funds made available through the Office of Insular Affairs (OIA). Although we are well aware of the budgetary pressures facing the Subcommittee, we believe we have a very worthwhile program that makes a significant contribution. Therefore, we respectfully request $1 million in fiscal year 1999 funding for Close Up's Pacific Islands programs.

CLOSE UP FOUNDATION'S PACIFIC ISLANDS PROGRAMS

Washington High School Program

The Washington High School Program is the core element of all of Close Up's programs. Through this program, we offer experiential, hands-on learning opportunities for youth of all abilities and aptitudes, from all areas of the world. Our teaching methodology is focused on allowing students to have first-hand, person-to-person interactions that are designed to build self-esteem and inculcate a belief in the importance of every person in a democracy. This methodology is particularly well-suited to the students of the Pacific Islands, since these young people lead a much more isolated life than most of their peers in the United States.

In order to help meet the civic education needs of the Pacific Islands region, Close Up plans to offer three Washington High School program options. All three options include a week in Washington on Close Up's program. Two of the program options involve a week in Washington plus another week in either Hawaii, or in Williamsburg, Philadelphia, and New York.

During the week in Hawaii, Pacific Island students and educators take part in the Close Up Pacific Basin Program. In this program, participants from the Pacific Islands and from the U.S. mainland meet to study issues of importance to both areas. The program usually includes a seminar on the changing role of the U.S. armed forces in the Pacific, a simulation addressing the economic interdependence in the region, workshops on immigration issues, and other activities related to the interests of the region.

The second option includes a two-day trip to Williamsburg to explore the roots of American democratic government; a visit to Philadelphia to examine the U.S. Constitution, its origin, and its impact on Pacific constitutions; and a visit to New York City, where students study the cultural and political implications of America's diverse citizenry.

The third option is a Washington program expanded to eight days. This program was created by Close Up staff and Pacific educators in response to an approximate 25 percent reduction in funding in fiscal year 1997. Rather than significantly reduce the number of students who would be able to participate, four Pacific Island entities decided to offer an eight-day program instead.

The Eight-Day Program has been well-received by the entities that have taken part. Given the expense and logistical difficulties involved in traveling from the Pacific, Close Up provided an extra day and one-half for Pacific Island students to work on activities specifically devoted to the Pacific Islands and their relationship to the U.S. government.

In Close Up's current program year, we are planning to offer all three program options and estimate that there will be approximately 261 participants. This level is slightly lower than last year. We recently learned that our grant for fiscal year 1998 will be $750,000. This level of funding should allow us to reach this year's estimated level of participation. If the Foundation's fiscal year 1999 funding request is granted and we are able to offer the three program options mentioned above, we hope to be able to increase the number of students and educators taking part in our programs next year.

One of the most rewarding aspects of Close Up's programs is the positive feedback we receive from participants. Their experiences have helped them realize their responsibility to make contributions to their communities for the rest of their lives.

While we consider it a privilege to assist Pacific Island students and educators in their civic learning process, it is reaffirming to know that our programs are having a positive, long-term, and lasting effect in the developing democracies of the Pacific Islands.

Civic Education Needs Assessment

As we mentioned in last year's testimony, we believed it was necessary to conduct a civic education needs assessment in the Pacific Islands. In order to maximize the effectiveness of our civic education activities, we believed it was important to learn from Pacific educators what needs existed and what would be the best ways to address those needs.

With the assistance of a grant from the Office of Insular Affairs, Close Up conducted a nine-month civic education/social studies needs assessment from 1997 into early 1998. Close Up staff met with directors of education, curriculum chiefs, social studies specialists, and other appropriate representatives in January 1998. They discussed social studies curricula, materials, training, and technology available to teachers in grades five through twelve in the public and private schools of American Samoa, the CNMI, the FSM, Guam, the Marshall Islands, and Palau.

The meeting participants, combined with Close Up's own research and program experience, produced results that are comprehensive, complex, and very useful in charting the direction for Close Up to be most helpful in addressing the civic education needs of the Pacific Islands. As we expected, there is no "one size fits all" approach to the needs of the various Pacific Islands. However, the meeting uncovered common needs that can be categorized into four general areas: (1) development of social studies standards; (2) materials acquisition; (3) teacher training and staff development; (4) use of technology in social studies. Close Up has proposed various programs to meet some of these needs in the most expeditious manner possible.

Teacher Training and Teacher Institute

At this time, we do not know what amount, if any, will be made available to the Foundation from fiscal year 1998 funds to support activities in addition to the Washington High School program. We have requested funding to support a teacher training institute to be conducted in the Washington area during July or August of this year. We are very hopeful that funding will be made available for this important activity.

The need for teacher training and staff development has been a constant theme in our formal and informal discussions with Pacific educators. While the entities have different types of training needs, our strategy is to address these differences by focusing on capacity building. With capacity building, we would conduct sessions in which we would be training the trainers. We would teach educators how to train other teachers, thereby developing a group of resident island trainers who could help other educators become more self-reliant and self-assured.

Regardless of whether we are fortunate enough to be awarded funds to conduct a "Trainer of Trainers" Institute this summer, we believe the need is so strong that a second institute is necessary in fiscal year 1999. We could not possibly include in one year the numbers of trainers necessary to meet the needs of Pacific Island teachers. Therefore, we would like to work with Pacific educators to conduct a (hopefully second) Trainer of Trainers Institute in the summer of 1999.

Additionally, we have found during the past several years that Pacific educators believe island-specific training conducted on the island entity is very helpful. The training and staff development that take place on the islands are less abstract than other activities and help to build the self-confidence of the teachers involved. The difficulty, however, is that island-specific training sessions sometimes can be limited in terms of the number of teachers reached by the program. This is why Close Up, in balancing the benefits of various training activities, would like to provide trainers with technical assistance and onsite evaluation, but do so as requested and on a limited scale.

Civic Education Materials

One of the most disturbing findings of the needs assessment meeting was the overwhelming need in most of the entities for current materials in sufficient numbers. Again, as with teacher training, the specifics of the needs vary from entity to entity, and from island to island.

Close Up currently has the ability to help address this materials shortage in a cost-effective manner. Close Up has collaborated with Pacific educators for the past six years, to develop island-specific social studies resource books. These books were modeled on Close Up's Civic Achievement Award Program (CAAP) books, which are designed to connect history, government, geography, economics, culture, and current events with responsible citizenship. Since these CAAP books are specifically tailored

to the island entities, additional distribution of CAAP materials would help mitigate the need for supplementary materials.

We propose that the CAAP materials be reformulated into a comprehensive text focusing on the entire Pacific region. The Foundation has included in its fiscal year 1998 proposal a small amount of funding to begin to provide CAAP books and start the process of creating a comprehensive text. Should our fiscal year 1998 request be granted in this area, there remains a need to distribute additional CAAP books and to further disseminate the new textbook. We would expect to commit a limited amount of fiscal year 1999 funds, should they be provided, to help to address this critical need.

Local Programs

As part of Close Up's message of life-long civic learning and involvement, the Foundation provides a very limited amount of money to help the island entities conduct civic education programs in their own communities. These local programs enable many groups to learn and contribute, increasing the civic literacy of the entire community.

Mr. Chairman, the Close Up Foundation is proud of its work in the Pacific Islands. We appreciate the support of the Subcommittee in our mission to help meet the civic education needs of students and educators in this very important region. Our plans for the coming fiscal year warrant additional support because of the impact that Close Up can make on students and teachers in their understanding of the value of being an informed participant in democracy. We would be happy to respond to any questions and to provide any additional programmatic or budgetary detail. Thank you very much.

NATIONAL PARK SERVICE

PREPARED STATEMENT OF MARGARET A. PARKER, PRESIDENT, MEIGS COUNTY HISTORICAL SOCIETY

The Meigs County Historical Society presents the following as testimony supporting the request for allocation of funds to be used for preservation and purchase of the Buffington Island Civil War Battlefield.

For the past several years, the Meigs County Historical Society and the Ohio Historic Preservation Office have been heading a campaign to save the only Civil War battlefield in the State of Ohio or north of the Ohio River. The battle, known as the Battle of Buffington Island, took place at Portland, Lebanon Township, Meigs County, Ohio on July 19, 1863 and involved about 2,000 Confederate troops under the leadership of General John Hunt Morgan and at least 8,000 Union troops. Known to have been present at this battle were two future United States Presidents, Rutherford B. Hayes and William McKinley.

The site in Meigs County is on the critical list of 384 principal battlefields defined by Congress that should be preserved and is ranked in the top 2.6 percent of all Civil War armed conflicts. It is ranked as a Class C principal battlefield for historic significance. The site has been determined by the Ohio Historic Preservation Office to be eligible for the National Register of Historic Sites. However, a portion of the battlefield at Portland may be lost to sand and gravel mining, unless public support for preservation of the site is raised. Richards and Sons, Inc., of Racine, Ohio have applied to the U.S. Army Corps of Engineers, Huntington District, for a permit to build a loading facility on the Ohio River at Portland and to the Ohio Department of Natural Resources for a mining permit. The 520 acres of land that Richards and Sons, Inc. owns for sand and gravel purposes is located on known portions of the battlefield, including a section referred to as "the bloody ground." As part of a required 106 Review, the gravel company recently had a Phase I cultural resources reconnaissance investigation completed on the property they own. This archaeological survey identified twenty-two prehistoric archaeological sites, including 9 isolated finds. Sixteen multi-component historic and prehistoric sites were identified, and 6 historic sites were inventoried, making a total of 44 archaeological resources encountered in these investigations. Of the 44 sites identified, 19 were recommended for additional Phase II testing and evaluation studies. The study also concluded that based on eyewitness officer's accounts portions of the Civil War battle occurred within the study area, particularly the final engagement and the Confederate withdrawal. Based on these combined data sources, it appeared likely the study area included properties which may retain evidence for the battle. Because of this conclusion it was recommended that additional research on the probable locations of battle actions on these properties be investigated.

The Buffington Island battlefield is included as one of 242 "foundation sites" in the Civil War Trust's Civil War Heritage Trail. This Trail is a national preservation and heritage tourism initiative of the Civil War Trust in partnership with the National Trust for Historic Preservation, the National Park Service, and many private historic preservation organizations. Its goals are to promote the identification, understanding, appreciation, preservation, and visitation of important Civil War sites and to create a permanent national memorial to this defining event in our nation's history.

The first Confederate invasion of Ohio was by Brigadier General Albert Gallatin Jenkins in September 1862. Jenkins crossed from Virginia (now West Virginia) at the Buffington Island ford. He proceeded to Racine, Ohio and then crossed back into Virginia at the ford at Wolf's Creek Bar, down river from Racine.

The Buffington Island ford was also an important crossing point for the Underground Railroad, with much of the present Meigs County black population being descendants of blacks who followed Colonel Lightburn on his retreat from the Kanawha Valley. So, not only is this ground significant for the Battle of Buffington Island, it also contributed to a great deal of other Civil War history.

This historical site is one of the region's and Ohio's most important historical assets. Further delay of the site's protection and compatible development for heritage tourism only increases the vulnerability of the site to inappropriate development and does nothing to stimulate the local economy.

The states of Kentucky and Indiana are in the process of marking the Morgan's Raid Route across their states, and it is our understanding that research is also being done in Ohio, so that the route across Ohio maybe marked. The Meigs County Historical Society was awarded a Travel and Tourism grant to research and mark the route in Meigs County and significant sites in the Buffington Island Battlefield area. Research for this project has been completed and text is now being written. Several markers have been already been delivered and will be set over the next few months. We anticipate setting at least twelve of these markers along the route across the county and in the Portland area. But, without the battlefield, what meaning will marking the Morgan's Raid route across the state, or even Meigs County, have? What meaning, when the places where men fought and died are only holes in the ground? When nothing remains to show future generations the turning point of the longest raid of the Civil War; the only significant battle on Ohio soil; the site where two future U.S. Presidents, Rutherford B. Hayes and William McKinley (both native Ohioans) participated in battle; and where the U.S. Navy played a deciding factor in the outcome from gunboats on the Ohio River. This is not just Ohio's battlefield, this is West Virginia's battlefield, also. Those gunboats were on the Ohio River and that belongs to West Virginia. But, more important, the blood that poured out upon the soil that hot day in July, was blood from many states and lineages that stretched far back across an ocean. It was the blood of our forebears who believed in freedom and were willing to fight for it. The freedom that we today take for granted as we enjoy a life style unthought of one-hundred and thirty-five years ago. We owe those men respect and reverence, whether they fought for the north or the south. They were sons, husbands and fathers who were only doing what they believed their country asked of them. How can we do anything less than see that this battlefield is preserved? Preserved to the memory of those who gave so much of themselves upon her fields. The Official War Records state that 47 Confederate soldiers were buried by Union troops on the battlefield and seven more by the local citizens. We believe these bodies may still be buried on the battlefield, but the site has not been identified. We hope the Phase II study will achieve this.

In an effort to Save the Battlefield, we are negotiating with the gravel company concerning the immediate danger to the site. However, we must also look for ways to guarantee long-term protection and development of the rest of the battlefield and other historical sites in the area. An appropriate way to preserve, might be through purchase of significant locations identified with the battle. This should also include the area known as Portland at the time of the battle and restoration of the village. To protect lands which cannot be purchased, land easements should be secured. A park and visitors center portraying the battle history should also be part of the battlefield development.

The battlefield itself remains in a pristine condition, the land having only been farmed. There are produce growers in the area who would like to farm part of this land, preserving it as it was when the Battle of Buffington Island occurred.

It has been recorded that three out of every five Ohio men between 18 and 45 served in the Union forces, leading all northern states in proportion to population. Only New York and Pennsylvania exceeded the total figure. But, those statistics do not tell the whole story, for the state did not receive credit for those who served with the regular Army or Navy, or in the regiments of other states. Of the eight

Ohioans who were elected president of the United States, five of them fought in the Civil War, four as generals and one a major. Two of these were known to have participated at Buffington Island. And we must not forget the "Fighting McCooks" of Columbiana and Carroll counties, Ohio. There were ten sons of Daniel McCook and seven sons of his brother, John McCook who served in the Civil War. It was at the Battle of Buffington Island that father, Major Daniel McCook, was mortally wounded, by the Confederate troops he believed had killed his son, Brigadier General Robert L. McCook the year before. We believe that the only Civil War battlefield in the State of Ohio should be preserved as a lasting memorial to the memory of these men.

We also believe that by working together, the Buffington Island Battlefield can be preserved for future generations. The memory of that long ago war must not be erased, because as it has been stated, "those who forget history are deemed to repeat it."

We sincerely hope that the Subcommittee on Interior and Related Agencies will deem the Buffington Island Civil War Battlefield worthy of preservation and consider it for appropriation.

PREPARED STATEMENT OF PATRICIA ANN COOK, PRESIDENT, MEIGS COUNTY GENEALOGICAL SOCIETY

The Meigs County Genealogical Society wishes to lend its support to the efforts of the Meigs County Historical Society in their attempt to save Ohio's only Civil War Battlefield, known as the Buffington Island Battlefield at Portland, Ohio.

The site in Meigs County is on the critical list of 384 principal battlefields defined by Congress that should be preserved and is ranked in the top 2.6 percent of all Civil War armed conflicts. It is ranked as a Class C principal battlefield for historical significance, which suggests preservation at the local or state level. Because an important section of the battlefield is owned by the Richards and Sons Sand and Gravel Company of Racine, Ohio, there is immediate concern for preservation of the site. The company has applied for permits to begin mining and if these are issued, we believe an important part of the battlefield will be lost. Because money is not available to purchase the company owned land, nor surrounding properties, eventually, much of the battlefield maybe lost. We feel that appropriation for acquisition of the land where the battle took place is crucial and sincerely hope this committee will agree.

The Battle of Buffington Island was the only significant Civil War battle fought in Ohio, or north of the Ohio River. The Morgan's Raid, which culminated in the battle, was the longest raid of the war. Had General John Hunt Morgan successfully crossed at Buffington Ford, his raid might very well have had a definite influence on the outcome of the war.

This historical landmark certainly has elements which make it uniquely eligible for preservation. Notably some of these being: the only Civil War Battlefield in Ohio; the only Civil War battle that occurred north of the Ohio River; contribution as a turning point to the longest raid of the war; the only battle on Union soil in which gunboats on the Ohio River participated; two future presidents participation; and the fact, that never again did Confederate troops invade the Union states.

We sincerely hope that this committee will recognize the significance of this battle and vote to appropriate funds for preservation of the Buffington Island Battlefield.

PREPARED STATEMENT OF JOHN CAREY, JR., STATE REPRESENTATIVE, OHIO HOUSE OF REPRESENTATIVES

Thank you Chairman Gorton and members of the Subcommittee on Interior and Related Agencies. I would like to take this opportunity to show my support and share my concerns for the preservation of the Buffington Island Battlefield site in Portland, Ohio (Meigs County, Lebanon Township).

It has recently come to my attention that there is an appropriation of $699 million from the Land and Water Conservation Fund for priority land acquisitions and land exchanges, of which $362 million is not yet earmarked for special projects. I understand the committee is seeking to identify opportunities to use a portion of this special appropriation for acquisitions that will help preserve important Civil War battle sites.

As one who appreciates the importance of our heritage, I am very concerned with the possible mining of the Battlefield. It is to my understanding that a certain gravel company recently submitted an application for a permit to build a loading facility on the Ohio River at Portland, Ohio. We are all very concerned with the integrity

of this historical landmark. I feel that if they are granted this permit, it would indeed have a significant environmental impact on the Ohio River in southern Ohio, as well as diminish the only site in the State of Ohio where the Civil War Battle was fought.

Over 10,000 soldiers fought and died on this land. I recognize the significance of Buffington Island to our state and our nation, and I hope that you will also. For the record, I oppose the issuance of a permit for mining of gravel on this historic landmark and I hope that you will do the same.

Therefore, I wholeheartedly believe that the Buffington Island Battlefield site is very deserving and worthy of receiving a portion of this special appropriation.

I would appreciate every effort that you can make to preserve the Buffington Island Battlefield site. Your assistance in this matter will be greatly appreciated. Thank you for your time and consideration on this very important matter. If I can be of any service to you, please do not hesitate to contact me.

PREPARED STATEMENT OF MICHAEL SHOEMAKER, STATE SENATOR, 17TH SENATE DISTRICT

Ohio has only one Civil War Battlefield, the Buffington Island Battlefield, maybe this is the reason so many in Ohio wish to preserve this portion of our history. For many years now the Meigs County Historical Society and the Ohio Historic Preservation Office have been heading a campaign to save this battlesite located in Lebanon Township in Meigs County. The battle at Buffington Island took place on July 19th, 1863 and it involved nearly 2,000 Confederate troops under the leadership of General John Hunt Morgan and at least 8,000 Union troops. Two future U.S. presidents also participated in this battle, Rutherford B. Hayes and William McKinley. This battlefield site is on the critical list of 384 principal battlefields defined by Congress to be preserved and it is ranked in the top 2.6 percent of all Civil War armed conflicts. It is ranked as a Class C principal battlefield for historical significance.

Unfortunately, a portion of this battlefield is in danger of being lost to sand and gravel mining. Richards and Sons, Inc., of Racine, Ohio have applied to the U.S. Army Corps of Engineers, Huntington District, for a permit to build a loading facility on the Ohio River at Portland and to the Ohio Department of Natural Resources for a mining permit. The area that Richards and Sons, Inc. owns for sand and gravel purposes is located on known portions of the battlefield. This area is also historically known for Native American tribes inhibiting the land and artifacts are found periodically. As part of a 106 Review the gravel company had a preliminary archaeological and historical survey completed on the property they own. The survey report identified forty-four prehistoric/historic sites. A mental detecting survey was recommended to determine if there are any Civil War artifacts.

The Buffington Island battlefield is included as one of 242 "foundation sites" in the Civil War Trust's Civil War Heritage Trail. This historical site is one of the region's and Ohio's most important historical assets. Kentucky and Indiana are currently in the process of marking Morgan's Raid Route across their states. The Meigs County Historical Society was awarded a Travel and Tourism grant to research and mark the route in Meigs County and significant sites in the Buffington Island Battlefield area. Several markers have been delivered and will be set in the next few months.

In an effort to save the battlefield the Meigs County Historical Society is negotiating with the gravel company concerning the immediate danger to the site.

However, we must also look for ways to guarantee long-term protection. One way to preserve this battlefield is through the purchase of significant locations identified with the battle. A park and visitors center portraying the battle history should also be part of the battlefield development.

All of this seems so much to go through for just a piece of land, but it is really more than that. This piece of land is a piece of history, where husbands, sons and fathers gave their lives. These men believed in freedom and fought for it, whether they were Union or Confederate soldiers doesn't matter, they were fighting for a cause they chose to believe in. It is only right that we preserve this battlefield in memory of those who gave the ultimate sacrifice, their life. The official War records state that 47 Confederate soldiers were buried by Union troops on the battlefield and seven more by the local citizens. This burial site has not been positively identified, it is imperative that this site be found and preserved as hallowed ground. Working together, the Buffington Island Battlefield can be preserved for many future generations to come.

PREPARED STATEMENT OF THE OHIO DEPARTMENT SONS OF UNION VETERANS OF THE CIVIL WAR

The Ohio Department Sons of Union Veterans of the Civil War is the primary organization representing the largest Union veterans organization of the post-Civil War period—the Grand Army of the Republic (G.A.R.). When the G.A.R. disbanded due to the death of most of its members, it literally wrote a will naming the Sons of Union Veterans of the Civil War as its legal heir to its property as well as to its purposes to keep the memory and sacrifices of the "Boys in Blue" alive.

It has been a primary concern of the Ohio Department of the imminent danger of the destruction of Ohio's only Civil War battlefield, the Battle of Buffington Island at Portland, Meigs County, Ohio. This battle involved nearly 8,000 Union troops as well as 2,000 Confederate troops. The only other battles on northern soil were the Battle of Gettysburg in Pennsylvania and the Battle of Corydon in Indiana. (This latter battle was also a result of the same Confederate raid that resulted in the Battle of Buffington Island.)

The Battle of Buffington Island has several unique historical points to make. First, it involved both federal Union troops as well as local militia troops. This is the only battle known to us that involved local militia as well as federal troops. Meigs County, Ohio, where the battle occurred, had a significant number of county militiamen dedicated to the defense of its county. Historians credit the vigor and dedication of these militiamen to the delaying of the Confederate troops that caused their delay and engagement at Portland, Ohio.

Further, the Battle of Buffington Island is unique in that it involved artillery, cavalry, infantry, and naval operations. Three Union gunboats assaulted the Confederates from their points in the Ohio River.

In addition to these points, this battle involved the participation of two future U.S. Presidents—Rutherford B. Hayes and William McKinley, both Ohio "boys". This is likely the only Civil War battle where such a situation occurred.

One point about the significance of this battle is often overlooked. The Battle of Buffington Island occurred on July 19, 1883. This is just a few days after the Confederate defeats at Gettysburg and Vicksburg. It is also the same time that the largest riots in U.S. history occurred—the New York Draft Riots. Had the Confederates succeeded in the Battle of Buffington Island, it could have renewed Confederate hopes that invasions onto northern soil would be a primary goal thus changing the whole end to the Civil War.

The official records of the Civil War indicate that at least 54 Civil War soldiers of the Battle of Buffington Island are buried on the Buffington Island Battlefield. Currently, the locations of these graves are unknown. With both time and funding, archeologists have assured us that the locations can be located. Since Confederates are legal U.S. veterans of the Civil War, it really does not matter which kind of soldiers are buried there. If this battlefield is allowed to be excavated by a sand and gravel company, the bodies of the veterans of this country may very well end up in paving material created from this sand and gravel—a disgrace in the opinion of anyone with a shread of patriotism in them.

The exact boundaries of the Battle of Buffington Island are not yet completely known. Again, it will take time and money to obtain expert archeological study to determine this. We do know, however, certain parts of the area that are undoubtedly part of the battle—a significant part of which is owned by the Shelly Company of Thornville, Ohio. This company has already applied to the Ohio Department of Natural Resources for a mining permit. Since the State of Ohio has no laws regarding preservation of historical areas, the Ohio Department of Natural Resources has no choice but to eventually issue this permit thus guaranteeing the destruction of the battlefield.

The reason the exact boundaries of the battle are yet unknown is due to another unique situation of the battle. It is what is called a "running battle". The Union was attacking the Confederates on three sides—one of those sides being the Ohio River. That left the only path of escape for the Confederates being up river along the Ohio River. That caused the Confederates to keep moving up river as the battle flared.

The question may arise why Meigs County, the home of the battle, has not done anything to preserve the land. Meigs County is a part of the Appalachian region of Ohio. It has a population of 23,000 people. Federal statistics indicate that about half of the population receives Government checks from Government agencies such as the Social Security Administration and the Department of Human Services. Unemployment runs much higher than the average for the U.S. The largest employers in the county are a coal company, a school district, and the county Government. The county has the lowest teaching salaries in the State of Ohio—so low in fact that

some teachers qualify for food stamps. The county is too poor to afford to buy the property even though land prices are comparatively low for the rest of the state.

The State of Ohio is also currently in a funding crisis due to a recent Ohio Supreme Court ruling requiring a complete restructuring of the school funding to equalize schools around the state. They do not have the funding to pay for the battlefield either.

It has always been a basic premise of American democracy that the people through its Government must supply funding and assistance to the public when the people cannot handle problems as individuals. Clearly, the Buffington Island Battlefield falls in this category. Neither the local people nor the State of Ohio has the funds to save this critical historical area. Current Ohio law gives eminent domain to condemn the land of this battlefield if the money is available for the legal costs and the purchase of the land. It is absolutely imperative that your committee provide the funds to condemn and purchase the property. Some of this property is coming up for private sale by a private owner on April 25. We fear that the Shelly Company will endeavor to purchase this thus making it even more expensive to condemn and purchase the property.

Currently, a new organization called the Ohio Civil War Trails Commission has been formed to inform the public on Ohio's contributions in the Civil War. The loss of the most important Civil War site in Ohio will cripple any attempt to increase tourism in Ohio through this commission. It would be devastating to show a large hole in the ground as the place where brave men once struggled.

Currently, Morgan's Raid, which is the raid that resulted in the Battle of Buffington Island, is the most re-enacted part of the Civil War. There are no less than four different places in three states that re-enact portions of this battle thus proving its significance in Civil War history.

We realize that other Civil War battlefields are in danger. However, Ohio furnished the 3rd largest number of soldiers to the Union in the Civil War. It furnished an equal amount of support in food and materials. Ohio also furnished the most successful Generals of the war—Grant, Sherman, Custer, and Sheridan. It would seem only fair that the single Civil War battlefield be entitled to be saved. The federal Government has already ranked it as one of the most endangered significant sites of the Civil War. Further, this battlefield is ranked by historians in Ohio as the Number One endangered historical site of any kind in Ohio.

Though the historical research has not yet been concluded, it also appears that this same battlefield was involved in an 1862 part of the Civil War. Jenkins' Raid—the first raid onto northern soil during the Civil War—occurred on this same sight. A reference in historical materials refers to this site as "Camp Scott". Though no battle occurred during Jenkins' Raid, it is nonetheless very significant.

When the federal Government is stressing higher educational standards, how do public school teachers of the nation's children prove that it is important to a well-rounded education to learn about American history when the Government stands by to allow an important battlefield like Buffington Island be forever destroyed by a mining company. There is no doubt that there are other sources of land that can provide sand and gravel for this company, but there is no way to replace a battlefield.

The Shelly Company of Thornville, Ohio, has not been cooperative in providing the specifics on the value of the sand and gravel under their lands in order to make a specific value on the land. This has been done by the company in order to confound our ability to obtain the funds we need to purchase the property. We can only estimate that the legal costs, archeological costs, and land purchase may run up to $17 million. However, there is currently a public school building located on the property that the school is hoping to vacate in favor of building a consolidated school at another location. This building can easily be used as an interpretive and historical center.

I hope you will see the immediate need of the funds to save the Buffington Island Battlefield and grant full funding of the site. Meigs County currently has a non-profit corporation set up to accept the monies and begin the process of acquiring property. All that is needed is federal funding.

God save the Union and our battlefields.

THE OHIO STATE UNIVERSITY,
Columbus, OH, February 26, 1998.

Mrs. MARGARET A. PARKER,
President, Meigs County Historical Society,
Pomeroy, OH.

DEAR MRS. PARKER: I am delighted to support your effort to secure federal funds for the preservationist work of the Meigs County Historical Society. I fully approve of your effort to preserve the Buffington Island Battlefield, Portland, Ohio as the centerpiece of your proposal, for the site is both significant and endangered.

In my wide travels to historical sites in the United States and abroad, I have visited literally hundreds of battlefields. Some like Waterloo, Gettysburg, Omaha Beach, and Gallipoli have undeniable historical significance. Many do not, but they nevertheless draw thousands of visitors because they are part of public park systems and offer an excellent combination of education and recreation. Such sites are quite literally "portals to history" that encourage further study and contemplation on the part of people who might not otherwise have any curiosity or interest in, for example, the American Civil War. Thus the sites take on an importance that transcends their objective historical importance.

Whether a site serves an educational role depends, of course, upon its facilities and presentation. Many sites I've visited began with private and local-public investment, but they need public funds to expand and reach their full potential. Three such sites that I have visited often are Tippicanoe (Indiana), Point Pleasant (West Virginia), and Fort Ligonier (Pennsylvania), all of which serve as "portals" for the trans-Appalachian migration and the conflict with the Native Americans. Only public funds (in the absence of some very wealthy philanthropist) can bring a site to an appropriate level of development.

In the current absence of another site like it, Buffington Island could be Ohio's "portal" to the Civil War in the way Fort Ancient (Ohio) now is for the study of Native American culture. I would not argue that the battle of Buffington Island looms great in Civil War history since Morgan's Raid is only a diversion in a very big war, 1861–1865. Nevertheless, the site of the battle would be an outstanding place for the citizens of the Ohio River valley and more distant visitors to sample the history of the mid-19th century through reenactments, festivals, presentations, exhibits, and study centers. I have seen such sites for 18th and 19th century activities at Caesar's Creek State Park (Ohio) and New Salem Village (Illinois), and both are popular weekend and vacation attractions. Buffington Island could play the same role for the Ohio Valley culture of 19th century, not just the Civil War.

Knowing the enthusiasm and dedication the Meigs County Historical Society has shown in building your county museum and in supporting preservationist efforts along the Ohio River, I am confident that you and your members would see that the Buffington Island project is done correctly. I applaud your effort to save Buffington Island as a place where all Americans can gather to contemplate their common history.

Best wishes as always.

Sincerely,

ALLAN R. MILLETT,
MAJ. GEN. RAYMOND E. MASON, JR.,
Professor of Military History.

UNIVERSITY OF RIO GRANDE,
RIO GRANDE COMMUNITY COLLEGE,
Rio Grande, OH, March 6, 1998.

Ms. MARGARET A. PARKER,
President, Meigs County Historical Society,
Pomeroy, OH.

DEAR MS. PARKER: University faculty write letters of support as part of the professional routine; the task is quite mechanical and mundane. Every once in a while, however, one can actually take pleasure in writing such a letter because the cause is so extraordinary. This is the case with Buffington Island. I support the preservation of this historic site with my strongest endorsement and unfeigned enthusiasm. Buffington Island can only be an asset to our state and community.

At Antietam, Gettysburg, and countless other places across our land, there are monuments honoring the sacrifice of Ohio's soldiers during the Civil War. It would be a travesty to desecrate the only site in the state of Ohio where a Civil War battle took place. It is well known that two future presidents, Rutherford B. Hayes and

William McKinley, participated in this conflagration. As the only Civil War battlefield in Ohio, Buffington Island has great historic and economic potential for our region and the state. Even the United States Congress has determined the significance of this site by declaring it a Class C principal battlefield. The Ohio Historic Preservation Office has also determined that the battlefield is eligible for the National Register of Historic Sites. Consequently, it is thereby imperative that the pristine condition of this battlefield be maintained so future generations can know of its significance and the sacrifice a generation made to save the Union.

It is difficult for me to believe that our society is willing to allow the destruction of a Civil War battlefield for something as insignificant as gravel. Certainly there are other areas where gravel could be mined. There is something terribly wrong with our values when we support the building of sports arenas in Cleveland, Columbus, and Cincinnati, but are unwilling to preserve our historic heritage. At present, an Ohio bicentennial conference is being planned at the University of Rio Grande which will focus on John Hunt Morgan's raid. It would be beneficial for us to take groups to view the site. Imagine their impressions and our embarrassment if what they saw were trucks mining gravel. Once destroyed, this site can never be saved.

In conclusion, I strongly endorse the preservation of Buffington Island battlefield, and encourage you to give the utmost consideration to saving our historic heritage. Please do not hesitate to contact me (E-mail: SWILSON@URGRGCC.EDU) if I can be of any further assistance.

Sincerely,

SAMUEL J. WILSON,
Associate Professor of History.

PREPARED STATEMENT OF THE NATIONAL WOMAN'S RELIEF CORPS

For the past several years, the Meigs County Historical Society and The Ohio Historic Preservation Office have been heading a campaign to save the only Civil War battlefield in the State of Ohio or north of the Ohio River. The battle, known as the Battle of Buffington Island, took place at Portland, Lebanon township, Meigs county, Ohio on July 19, 1863 and involved about 2,000 Confederate troops under the leadership of General John Hunt Morgan and at least 8,000 Union troops. Known to have participated in this battle were two future United States Presidents, Rutherford B. Hayes and William McKinley.

The site in Meigs County is on the critical list of 384 principal battlefields defined by Congress that should be preserved and is ranked in the top 2.6 percent of all Civil War armed conflicts. It is ranked as a Class C principal battlefield for historical significance. The site has been determined by the Ohio Historical Preservation Office to be eligible for the National Register of Historical Sites. However, a portion of the battlefield at Portland may be lost to sand and gravel mining, unless public support for preservation of the site is raised. Richards and Sons, Inc., of Racine, Ohio, have applied to the U.S. Army Corps of Engineers, Huntington District, for a permit to build a loading facility on the Ohio River at Portland and to the Ohio Department of Natural Resources for a mining permit. The area that Richards and Sons, Inc., owns for sand and gravel purposes is located on known portions of the battlefield. It is also historically known that Native Americans inhabited this land and artifacts are found periodically.

The Buffington Island Battlefield is included as one of 242 "foundation sites" in the Civil War Trust's Civil War Heritage Trail. This trail is a national preservation and heritage tourism initiative of the Civil War Trust in partnership with the National Trust for Historical Preservation, the National Park Service, and many private historic preservation organizations. Its goals are to promote the identification, understanding, appreciation, preservation and visitation of important Civil War sites and to create a permanent national memorial to this defining event in our nation's history.

This historical site is one of the region's and Ohio's most important historical assets. Further delay of the site's protection and compatible development for heritage tourism only increases the vulnerability of the site to inappropriate development and does nothing to stimulate the local economy.

The National Order of The Woman's Relief Corps, Auxiliary to The Grand Army of The Republic, goes on record at this time to further submit that this Buffington Island battlefield site should be given its proper due and be enshrined as a memorial to those men who fought and died there and not be developed into a gravel pit.

THE AMERICAN LEGION, DEPARTMENT OF OHIO,
8TH DISTRICT.

As Commander of the 8th District of the American Legion I am writing this letter in support of the Meigs County Historical Society for request that allocations for funds for the preservation of the Buffington Island Civil War Battlefield.

For the past several years, the Meigs County Historical Society and the Ohio Historic Preservation Office have been heading a campaign to save the only Civil War battlefield in the State of Ohio or north of the Ohio River. The battle known as the Battle of Buffington Island, took place at Portland, Lebanon Township, Meigs County, Ohio on July 19, 1863 and involved about 2,000 Confederate troops under the leadership of General John Hunt Morgan and at least 8,000 Union troops. Known to have participated in this battle were two future United States Presidents, Rutherford B. Hayes and William McKinley.

The Buffington Island battlefield is included as one of 242 "foundation sites" in the Civil War Trust's Civil War Heritage Trail. This Trail is a National preservation and heritage tourism initiative of the Civil War Trust in with the National Trust for Historic Preservation, the National Park Service, and many private historic preservation organizations. Its goals are to promote the identification, understanding, appreciation, preservation, and visitation of important Civil War sites and to create a permanent national memorial to this defining event in our nation's history.

Since the American Legion is a war time organization we feel that it is important to preserve Buffington Island for Meigs County and Ohio. Buffington Island in Meigs County is part of the 8th District. We ask your support in making this happen.

MICK WILLIAMS,
Commander, 8th District, American Legion, Department of Ohio.

PREPARED STATEMENT OF THE SONS OF UNION VETERANS OF THE CIVIL WAR

For the past several years, the Meigs County Historical Society and The Ohio Historic Preservation Office have been heading a campaign to save the only Civil War battlefield in the State of Ohio or north of the Ohio River. The battle, known as the Battle of Buffington Island, took place a Portland, Lebanon township, Meigs County, Ohio on July 19, 1863 and involved about 2,000 Confederate troops under the leadership of General John Hunt Morgan and at least 8,000 Union troops. Known to have participated in this battle were two future United States Presidents, Rutherford B. Hayes and William McKinley.

The site in Meigs County is on the critical list of 384 principal battlefields defined by Congress that should be preserved and is ranked in the top 2.6 percent of all Civil War armed conflicts. It is ranked as a Class C principal battlefield for historical significance. The site has been determined by the Ohio Historical Preservation Office to be eligible for the National Register of Historical Sites. However, a portion of the battlefield at Portland may be lost to sand and gravel mining, unless public support for preservation of the site is raised. Richards and Sons, Inc., of Racine, Ohio, have applied to the U.S. Army Corps of Engineers, Huntington District, for a permit to build a loading facility on the Ohio River at Portland and to the Ohio Department of Natural Resources for a mining permit. The area that Richards and Sons, Inc., owns for sand and gravel purposes is located on known portions of the battlefield. It is also historically known that Native Americans inhabited this land and artifacts are found periodically.

The Buffington Island Battlefield is included as one of 242 "foundation sites" in the Civil War Trust's Civil War Heritage Trail. This trail is a national preservation and heritage tourism initiative of the Civil War Trust in partnership with the National Trust for Historical Preservation, the National Park Service, and many private historic preservation organizations. Its goals are to promote the identification, understanding, appreciation, preservation and visitation of important Civil War sites and to create a permanent national memorial to this defining event in our nation's history.

This historical site is one of the region's and Ohio's most important historical assets. Further delay of the site's protection and compatible development for heritage tourism only increases the vulnerability of the site to inappropriate development and does nothing to stimulate the local economy.

General William McLaughlin Camp 12, Sons of Union Veterans of The Civil War, descendants of The Grand Army of The Republic, goes on record at this time to further submit that this Buffington Island battlefield site should be given its proper due and be enshrined as a memorial to those men who fought and died there and not be developed into a gravel pit.

SOCIETY OF THE WAR OF 1812,
Upper Sandusky, OH, March 6, 1998.

MEIGS COUNTY HISTORICAL SOCIETY,
P.O. Box 145,
Pomeroy, OH.

I wish to say that I am in favor of preserving the Buffington Island Battlefield as it is the only Civil War Battlefield in the state of Ohio and deserves to be held in trust for future generations.

Historical sites are not only for the memory of the event, but also honors those who participated in the battle and especially those who paid the supreme sacrifice as a result of the conflict. I am concerned that fifty-four graves of men who died at this battle are not accounted for and are presumed to be interned somewhere on the field of battle. Development of the land may destroy a cemetery.

I would also like to point out that destruction of a battlefield or any site worthy of historical value cannot be undone.

Thus I would like to see the Buffington Island Battlefield preserved as a National Park and support the request for allocation of funds to be used for purchase of the site.

Sincerely yours,

HARRISON SCOTT BAKER II,
President, Ohio Society War of 1812.

THE OHIO SOCIETY,
SONS OF THE AMERICAN REVOLUTION,
Cincinnati, OH, March 5, 1998.

MARGARET A. PARKER,
President, Meigs County Historical Society,
Pomeroy, OH.

DEAR MS. PARKER: We have reviewed the situation of the Civil War Battle Field, known as the Buffington Island Battlefield at Portland, Ohio and with Executive Committee action, give our support to the preservation of this historical site. It is important to preserve historical sited, especially those where our soldiers have given their life to establish and preserve our Country.

We should preserving the only Civil War Battle sites as a remembrance to those who made the ultimate sacrifice there and at the many other battlefields to preserve and maintain the United States of American. Preserving these sites also preserves history. It is necessary for us to know what has happened in the past in order to avoid repeating these same and similar happenings in the future.

We strongly support your effort to preserve the Buffington Island Battlefield at Portland, Ohio because we feel it is necessary to remember those who participated in giving us and maintaining the United States of American and preserving history to prevent a repeat of the similar events in the future.

With Best Regards,

ROBERT F. FRENCH.

PREPARED STATEMENT OF THE EWINGS CHAPTER, SONS OF THE AMERICAN REVOLUTION

For the past several years the Meigs County Historical Society and the Ohio Historic Preservation Office have been heading a campaign to save the only Civil War battlefield in the State of Ohio. This battle known as the Battle of Buffington Island took place at Portland, Lebanon Township, Meigs County, Ohio on July 19, 1863. This battle involved about 2,000 Confederate troops under the leadership of General John Hunt Morgan and at least 8,000 Union troops. Known to have participated in this battle were two future United States Presidents, Rutherford B. Hayes and William McKinley.

This site in Meigs County is on the critical list of 384 principle battlefields defined by Congress that should be preserved and is ranked in the top 2.6 percent of all Civil War armed conflicts. This site has been determined by the Ohio Historic Preservation Office to be eligible for the National Register of Historic Sites. However, a portion of this battlefield at Portland may be lost forever to sand and gravel mining unless additional public support for the preservation of this site is raised.

The Buffington Island battlefield is included as one of the 242 "foundation sites" in the Civil War Trust's, Civil War Heritage Trail. This trail is a national preservation and heritage tourism initiative of the Civil War Trust in partnership with the National Trust for Historic Preservation.

Ewings Chapter, Sons of the American Revolution urges your consideration and support for an allocation of funds to be used for the preservation and purchase of the Buffington Island Civil War Battlefield.

PREPARED STATEMENT OF THE SONS OF CONFEDERATE VETERANS, OHIO DIVISION

In the summer of 1863, the famous Confederate cavalryman, Gen. John Hunt Morgan, led a daring raid across the Ohio River into the heart of Union territory, traveling hundreds of miles through enemy territory in Indiana and Ohio. His force of over 2,000 Confederates were harried and pursued by local militia and Federal units, culminating in the battle of Buffington Island on July 19th, 1863. Morgan's attempts to cross the Ohio river and escape back to Southern soil were thwarted by converging Union columns and gunboats. On that foggy Sunday morning roughly 2,000 Confederates and 8,000 Union soldiers fought a pitched battle, resulting in the defeat and capture of a major portion of the Confederates engaged. Morgan, however, was able to escape with a contingent of about 1,100 men, but was ultimately captured one week later in Columbiana County after a grueling chase. Thus was to end the longest and one of the most fascinating of all cavalry operations of the Civil War.

The Buffington Island battlesite, located in Meigs County, Ohio, near the small village of Portland, is now in imminent danger of being destroyed by plans to mine gravel deposits on significant portions of the site where the battle occurred. Richards and Sons, Inc., of Racine Ohio, owns battlefield land and have applied to the U.S. Army Corps of Engineers for a permit to construct loading facilities on the adjacent Ohio River. They have also applied to the Ohio Department of Natural Resources for a mining permit. To our knowledge, neither has been awarded at this time. However, the ODNR has no authority to deny applications based on a site's historical significance, so that it is likely such a permit will be granted. Even if the U.S. Corps of Engineers were to deny the loading facility to Richards and Sons, the company still has the option of mining and trucking out the gravel by road. Unfortunately, the thousands of letters written by concerned citizens to state officials have been largely met with at best only sympathy. There have been no real and concerted efforts on the part of Ohio's leadership to save Buffington Island. It is our feeling that unless funds are found to purchase the site, it will succumb to commercial "development" of the type which will forever ruin its historical worth. Gravel pit mining would leave a giant hole where men fought and died.

Is it worth saving? Our membership believes without a doubt it is worthy of preservation for the following reasons:

Buffington Island is Ohio's only battlefield and one of the very few major engagements to be fought on Northern soil. Proportionately, Ohio sent more men to serve the Union cause than any other state. It would be a blot on their memory if the only site in their mother state where Ohioans shed their blood were to be lost.

The battlesite looks much the way it did in 1863. Its present pristine condition would be the envy of other battle sites as it has so far escaped the encroachment of development common to other Civil War sites. Visitors can now view the area much as it appeared when the battle occurred.

Buffington Island was a major battle. The engagement involved roughly 10,000 participants, 2,000 Confederate and 8,000 Federal. It is listed by Congress as one of the 384 principal battlefields which should be preserved and ranked in the top 2.6 percent of all conflicts in the war. It is also one of the 242 "foundation sites" in the Civil War Trust's Civil War Heritage Trail, the organization's effort (in partnership with the National Park Service, the National Trust for Historic Preservation and other private historic preservation groups) to promote the identification, preservation, understanding and visitation of important sites by the public. The Ohio Historic Preservation Office has also determined that Buffington Island is eligible to be listed on the National Register of Historic Sites.

Buffington Island was a unique battle. There was none like it. It was the climax of the longest raid of the entire war. Involved was cavalry, infantry, and naval forces in the form of Federal gunboats on the river. Two future U.S. presidents, Rutherford B. Hayes and William McKinley, were participants. As stated before, it was one of the very few engagements fought in the North.

Soldiers rest in unmarked graves on the site. This has been documented. The Official Record of the Civil War records a letter from Gen. Hobson to Col. Lewis Richmond stating that local citizens buried 47 rebels and a Dr. Scriven buried 7. Just as cemeteries cannot be wantonly destroyed, cannot the same respect be afforded to the remains of American soldiers who gave their lives to a cause they believed in? If the Richards and Sons Company proceed with their intentions, it will be a

desecration to the memory of all the soldiers who fell there, both Union and Confederate.

Mining the battlefield would achieve only short term economic benefits. From a purely economic standpoint, we believe mining the site contrary to the economic welfare of southeast Ohio. Although mining would provide jobs and income so desperately needed in this area of Appalachia, operations would be of a limited nature. Once available deposits were extracted, the result would for all time destroy the potential tourism benefits associated with the site's historical significance. Tourism has no limits, in terms of the numbers of people who might visit and for how long. We believe the site has great potential, depending on how it is "developed" for tourism. At the present time, efforts are underway by the newly formed Ohio Civil War Trails Commission to establish the Morgan Trail, a route following Morgan's raid through the state. Signage, audio and video tapes, brochures, web sites, etc., would provide impetus for the public to visit southern Ohio and enjoy the rich historical tradition of the state as well as the inherent natural beauty of the region. Kentucky and Indiana are well ahead of Ohio with similar plans. One of the goals of the Commission is to integrate the efforts of all the neighboring states. If done well, this could provide a continual infusion of revenue to the existing businesses of the area, as well as the growth of new enterprises which would surely arise to meet the demand of new visitors. Buffington Island would be the crown jewel of the Trail. That is, provided visitors have a pristine battlefield to view rather than a gravel pit.

In short, as members of the Sons of Confederate Veterans, and more importantly, as citizens who place great importance on our nation's history and the sacrifices made by our ancestors, we urge you to do all in your power to save the Buffington Island battlesite. If federal funds are available for the purchase of Civil War sites, Buffington Island must be considered. Unless measures are taken now, it's loss will be lamented by many future generations.

CIVIL WAR DAYS,
Somerset, OH, March 7, 1998.

MEIGS COUNTY HISTORICAL SOCIETY,
Pomeroy, OH.

DEAR MS. PARKER: The Civil War Days Committee of Somerset, Ohio is fully and firmly committed to Civil War Battlefield preservation in general and the Buffington Island Battlefield in particular. All of the proceeds from our September event id earmarked for Buffington Island.

We have many Civil War era projects in our area but have forsaken them, at least temporarily, while the second Battle of Buffington Island, as we call it, rages. Our maintenance projects can be deferred, but we only get one chance to save an endangered battlefield.

We are all aware of the importance of Buffington. It is an excellent example of U.S. naval activity in coordination with infantry, cavalry and militia. It is also the only battle where three future presidents (Garfield, Hayes, McKinley) were engaged. Buffington is a hallowed symbol of Ohio's unparalleled contribution to the conflict. No state produced more men, more regiments and more generals per capita than Ohio. The offspring of those 250,000 Buckeyes who served their country, now spread to the ends of the earth should now step forward and honor them in a dignified and perpetual manner. We can think of no more fitting way to show our respect than to permanently remove the property from harm's way.

If the Land and Water Conservation Fund is indeed planning to acquire new properties, with certain uncommitted funds, we believe Buffington is an appropriate site for such an acquisition.

Sincerely,

ROBERT SNIDER,
Director.

30TH OHIO VOLUNTEER INFANTRY ASSOCIATION,
Columbus, OH, March 5, 1998.

MARGARET PARKER,
Meigs County Historical Society,
Pomeroy, OH.

DEAR MISSES PARKER: Our Civil War Reenacting Association is fully committed to the Historical Society's efforts regarding the Buffington Island Battlefield. We are acutely aware of the importance of the site. Ohio contributed more men and more

regiments per capita than any other state in the Union, north or south and yet somehow we are unable or unwilling to save a site within our own boundaries.

It is a great shame on the current inhabitants of this greatest of all states, that this issue cannot be resolved, that posterity may know what happened there. Scores of men struggled died and are buried there. Indeed the burial sites are yet unknown. It is our duty to continue the struggle to save the property and protect the integrity of this most hallowed of state ground. It is more than just an Ohio treasure that remains in jeopardy. It is also a national calamity. What will future generations and historians say of the culture that refused to save property, hallowed by their grandfathers, when the means was at hand?

We believe that the uncommitted monies yet available in the Land and Water Conservation Fund could do much to salvage this important shrine. We hope that the Senator Slade Gorton chaired Committee will fully consider the acquisition of the most vulnerable components of the battlefield as a first step in satisfying the legacy of our grandfathers' sacrifice.

We have financially and emotionally supported your good efforts in the past and will continue to do so.

Your ob't. serv't.

DAVID SNIDER,
Association Historian.

PERRY COUNTY HISTORICAL SOCIETY,
Somerset, OH, March 3, 1998.

MEIGS COUNTY HISTORICAL SOCIETY,
Pomeroy, OH.

DEAR MARGARET PARKER: The Perry County Historical Society is very much interested in the preservation of Buffington Island Battlefield. We sponsor a reenactment here in Somerset every September and the net proceeds of the event go to the Buffington Island Battlefield Preservation Association.

We believe there are several worthy battlefield sites throughout the nation that are currently vulnerable, which merit significant preservation efforts, but we believe there are several things about the Buffington Site which move it to the top of the list.

Foremost is the fact that the Buffington site is the only Ohio site of Civil War vintage. To save that battlesite is to save 100 percent of the battlesites in the state. Ohio's commitment, giving 250,000 men to the cause and not less than sixty generals, including: the legendary Grant, Sheridan, Sherman and Custer warrants our full measure of devotion.

The Battlesite is a great resource for all of the United States in ways we are only now coming to understand. Educators say that you can teach absolutely any subject in the world if you can somehow use dinosaurs, space travel or the American Civil War as the vehicle of delivery. Saving this battlefield not only pays homage to the generation that fought and died there it also provides promise for our future young scholars. It is indeed a rare opportunity when generations long dead and those yet born can be served by the current inhabitants. Let us all recognize and seize this opportunity for what it really is.

Please forward our concerns to Senate Chairman Slade Gorton regarding is wonderful opportunity.

Sincerely,

DOUGLAS MILLER,
PCHS President.

1ST OHIO VOLUNTEER CAVALRY,
Somerset, OH, March 3, 1998.

MEIGS COUNTY HISTORICAL SOCIETY,
Pomeroy, OH.

DEAR MARGARET PARKER: The 1st Ohio Volunteer Cavalry is a Civil War Reenactment unit centered in central Ohio that is very much concerned about the future of our states only battlefield at Buffington Island near Portland, Ohio.

The importance of Ohio's contribution in the Civil War in particular and nation building and preserving in general has long been overlooked in the broad survey that the study of our nation's history has become. The state contributed more men than any state in the nation, except the old states of New York and Pennsylvania, to the great struggle. It seems a terrible shame than those men who struggled, died

and are buried there should be forgotten by there offspring. It reflects very badly on all of us as a society that the preservation of this hallowed ground is not a priority for all of the individuals who have enjoyed the fruits of the liberty this struggle salvaged.

If the Subcommittee on Interior and Related Agencies is indeed exploring potential land acquisitions with yet to be committed funds, we can think of no better place to begin than at Buffington Island. It should be this generation of citizens and lawmakers that saves this hallowed property for posterity. Future generations will not have the luxury nor the solemn duty we have been blessed with.

We have supported the Buffington Island preservation movement on the reenacting battlefield, in the classroom and anywhere the story can be told and we will continue to do so.

Sincerely,

CAPTAIN STEVE REINCKE.

THE MILITARY ORDER OF THE LOYAL LEGION OF THE UNITED STATES,
COMMANDERY OF OHIO,
Massillon, OH, March 14, 1998.

MARGARET A. PARKER,
President, Meigs County Historical Society,
Pomeroy, Ohio.

DEAR MS. PARKER: I have been appraised that Senator Slade Gorton is accepting written outside testimony regarding a special $699 million appropriation from the Land and Water Conservation Fund for land acquisitions of which $362 million at this time is not earmarked for specific projects.

It is well known that your organization is most concerned about the Buffington Island Battlefield being destroyed by a gravel mining company. This travesty greatly concerns our Military Order that was founded the day that our beloved 16th President, Abraham Lincoln died—April 15, 1865.

Our 19th President, Brevet Major General Rutherford B. Hayes of Ohio was a participant at the "historic Ohio battlefield site". R.B. Hayes was our "MOLLUS" Commander in Chief from 1888–1893. He also served as the Commander of the Ohio Commandery from February 7, 1883 through May 5, 1886. He was followed by General William T. Sherman who served a one year term.

"The Military Order of The Loyal Legion of the United States" objectives were many. The number one objective was to honor the memory of Abraham Lincoln and to cherish the memories and associations of the war waged in defense of the unity and indivisibility of the Republic. Translated that also means, the preservation of the countless monuments, memorials and battlefields honoring those men who fought and died in the Civil War.

A gravel pit is not a memorial to our fallen comrades and with the grace of God, we will win this battle and secure the monies needed to preserve this sacred battlefield site.

As a further testimony on saving the Buffington Island Battlefield, I'm listing the following reasons:

It is Ohio's only Civil War battlefield and Ohio deserves part of this national funding having furnished the third most men in the Union.

It is located in an Appalachian Ohio county of 22,000 population that is the poorest in the state where half of the residents receive a government transfer payment of some kind.

There were 8,000 Union and 2,000 Confederates in the battle.

The battle is unique in that it involved infantry, artillery, cavalry, navy and local militia.

Future President, William McKinley of Ohio also participated.

The "Official Records" of the U.S. government indicate at least 54 graves of soldiers whose location are currently unknown. These graves may end up as paving material by the sand and gravel company that owns part of the land.

Had the Confederates won this battle, it may have prolonged the war by encouraging further raids into the north.

This battle is one of three on northern soil. The others are the Battle of Corydon (Indiana) and Gettysburg (Pennsylvania).

Destroying a battlefield cannot be undone once occurred.

Destroying an important historical site like this teaches children that learning history in school is unimportant.

Destroying a battlefield cheapens the sacrifice made by those who fought there.

Morgan's Raid is the most re-enacted and celebrated item of the Civil War with currently four separate re-enactments occurring annually.

No adequate archeological study has been conducted on the site concerning the Civil War.

In terms of fair play, preserving our Ohio Civil War military heritage and history and saving our only battlefield site, hopefully we will receive the necessary funding from the "Committee on Appropriations".

Loyally yours,

KARL F. SCHAEFFER,
Commander.

PREPARED STATEMENT OF THE MEIGS COUNTY TOURISM BOARD

The Meigs County Tourism Board respectfully submits the following testimony in support of the request for an allocation of funds to be used for the preservation and purchase of land at the Buffington Island Civil War Battlefield.

On July 19, 1863 a battle took place in Meigs County, Ohio. The battle, known as the Battle of Buffington Island involved 10,000 American men, and was a significant and defining battle of the American Civil War. Currently, another battle rages on the same hallowed ground, a battle of preservation.

The Meigs County Historical Society in accordance with the Ohio Historic Preservation Office is spearheading a campaign to save the only Civil War battlefield in the State of Ohio. This site is defined by Congress as one of the 384 principal battlefields that should be preserved, and is ranked in the top 2.6 percent of all Civil War armed conflicts. In addition, the battlefield is eligible to be listed on the National Register of Historic Sites.

Unfortunately, a portion of this critical site is in imminent danger of being lost forever to the destruction of sand and gravel mining. Richard and Sons, Inc., of Racine, Ohio have applied to the U.S. Army Corps of Engineers, for a permit to build a loading facility on the Ohio River and to the Ohio Department of Natural Resources for a mining permit. The land that Richard and Sons has acquired for the expressed purpose of sand and gravel mining is located on portions of this battlefield site.

This historical site is unlike any other in the entire state of Ohio. It is one of the southeastern region's most important historical assets. To rob future generations of a part of their heritage is a decision that should not be made for profit.

This battlefield is undeniably an asset to Meigs County as a tourism attraction and as a living history lesson for visitors to enjoy. This site is part of the Civil War Heritage Trail, which is a heritage tourism initiative of the Civil War Trust in partnership with the National Trust for Historic Preservation and the National Park Service. To not protect this site for preservation and for future appropriate heritage tourism development in ludicrous, and only increases the risk of inappropriate development and eventual extinction.

Our forbears were willing to give up their lives in the Battle of Buffington Island for the freedom of all men, and for the continuation of liberties for all generations to come. The Official War Records state that 54 soldiers were buried on this battlefield. We owe it to their memory to preserve this site as a testament of their bravery and their honor. Thank you for your sincere consideration of this matter, and for any help you can extend to our county in finding an amicable solution to this situation.

OHIO HISTORIC PRESERVATION OFFICE,
Columbus, Ohio, March 5, 1998.

The Honorable SLADE GORTON,
Chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, Washington, DC.

DEAR SENATOR GORTON: On behalf of the Meigs County Historical Society, I am writing in response to your request for assistance in identifying opportunities to use a portion of the Land and Water Conservation Fund appropriation to preserve important Civil War battle sites. One candidate for your consideration is the site of the Battle of Buffington Island, the only Civil War battlefield in Ohio or north of the Ohio River.

The Battle of Buffington Island marked the effective end of the Great Ohio Raid, a 17 day, 1,000 mile running skirmish across four states between Confederate cavalry troops led by the flamboyant General John Hunt Morgan and local militia and

Union troops. It was to be the longest sustained raid of the Civil War. The battle itself occurred near a low point in the Ohio River where General Morgan hoped to escape into West Virginia with 2,000 troops. High water, 8,000 Union troops, and gunboats stopped him. Two future United States Presidents, Rutherford B. Hayes and William McKinley, took part in the engagement. Bone weary from weeks in the saddle, Morgan was forced to abandon 700 men but managed to escape, his raid ending 7 days later less than 100 miles from the shores of Lake Erie.

The battle site is marked by a State Memorial within a four acre park near Portland in Meigs County, Ohio. Listed in the National Register of Historic Places since 1970, the memorial is part of the larger battlefield occupying the terraces between the Ohio River and the foothills of the Appalachians. Local efforts are underway to mark the route of Morgan's raid, and an invitation has been extended by the States of Kentucky and Illinois to join and expand their National Park Service-funded effort to mark Morgan's route through their states, culminating in a marked, multi-state General John Hunt Morgan trail. The Battle of Buffington Island is a key site in this Civil War heritage trail.

The secluded agricultural land upon which this site is located is now the subject of a proposed gravel mining operation that would destroy core features of the battlefield, including an area known locally as the "Bloody Ground." Our office is undertaking a review of the proposed project under Section 106 of the National Historic Preservation Act. Working with the developers, the U.S. Army Corps of Engineers, and interested parties, we are identifying the significant elements within the area, determining the effects of the project, and seeking means of mitigating any adverse effects.

The Land and Water Conservation Fund appropriation to which you refer would be an ideal source of funding to secure and preserve this significant Civil War battlefield site. Strong local and inter-state interest (over 3,000 letters of concern have been received to date) has been expressed, and the developer is sensitive to the significance of the site. I urge your Committee's consideration of the Buffington Island Battlefield site as a candidate for acquisition with the Land and Water Conservation Fund.

I would be pleased to answer any questions or supply any additional information you may need. Thank you for the opportunity to comment on your efforts to acquire and preserve important Civil War battle sites.

Respectfully submitted,

AMOS J. LOVEDAY, JR.,
State Historic Preservation Officer.

STATE OF OHIO,
OFFICE OF THE LIEUTENANT GOVERNOR,
Columbus, OH, March 17, 1998.

The Honorable SLADE GORTON,
Chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, Washington, DC.

DEAR SENATOR GORTON: I am writing in support of the Meigs County Historical Society's request for funding from the Land and Water Conservation Fund.

If approved, this money would be used for a land acquisition (or exchange) that would preserve the Buffington Island Battlefield at Portland, Ohio, which is Ohio's only Civil War battlefield. The battlefield site, which is located in Meigs County, is in danger of being destroyed by a pending gravel mining operation.

As a native of southeastern Ohio, I can personally testify to the historical and economic importance of this site.

The Battle of Buffington Island was part of the infamous "Morgan's Raid," the longest, sustained raid of the Civil War. Fought just north of the Ohio River, this bloody confrontation involved over 10,000 Union and Confederate troops. It was the last major engagement between the two forces before General John Hunt Morgan and his raiders surrendered in northeastern Ohio seven days later. The battle, along with many of the stories and "legends" surrounding it, are integral part of our unique heritage.

Many parts of Appalachia have focused on tourism as part of their economic development strategies. It is important to note that a multi-state effort in underway to mark the trail Morgan's Raiders traveled through Ohio, Kentucky and Illinois. When completed, the trail will attract much welcomed visitors and attention to southeastern Ohio, as American history enthusiasts and tourists retrace the events that took place there. It is only fitting that the Buffington Island Battlefield be preserved as a part of this new trail.

Given the importance of preserving our country's historic landmarks and sites, I believe that the Buffington Island Battlefield would be an excellent choice for funding from the Land and Water Conservation Fund. Therefore, I urge you and your committee to give favorable consideration to the Meigs County Historical Society's request.

If you need any additional information regarding his letter or my support for this important historic preservation project, please do not hesitate to contact me at (614) 466–3396.

Thank you.

Sincerely,

NANCY P. HOLLISTER,
Lieutenant Governor.

LETTER FROM HELEN HOOPER, DIRECTOR OF PUBLIC POLICY, LAND TRUST ALLIANCE

APRIL 15, 1998.

The Honorable SLADE GORTON,
Chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, United States Senate, Washington, DC.

DEAR CHAIRMAN GORTON: The Land Trust Alliance (LTA), the national organization serving the country's more than 1,100 land trusts, is pleased to submit this letter to the Subcommittee on Interior and Related Agencies for the record of testimony regarding the fiscal year 1999 appropriations to two federal programs that foster private, voluntary land conservation. Specifically, I urge the committee to provide adequate funding to the Forest Legacy Program of the Forest Service and the Land and Water Conservation Fund (LWCF), especially the state grants programs administered by the National Park Service.

Forest Legacy Program

Recommendation.—LTA supports a substantial increase to a $50 million appropriation for the Forest Legacy Program.

The Forest Legacy Program should be increased to $50 million annually in order to function as an effective national program. Funding at $50 million annually will enable this chronically underfunded program to complete projects more rapidly, expand the program to more states, respond effectively to the needs of timberland owners, and, most importantly, conserve a significant amount of threatened timberland. We thank you for your leadership in appropriating an increase for this program for the current fiscal year, and urge that you make the further increases needed.

The Forest Legacy Program supports the purchase of interests (primarily permanent conservation easements) in environmentally-sensitive timberland that is threatened with conversion to nonforest uses. It is a voluntary, private, non-regulatory means for preserving the nation's forests and improving water quality, air quality, sensitive habitat, and sustainable economic resources.

Forest Legacy provides willing landowners with a viable alternative to selling their timberland for development; conserves timberland for traditional uses; and fosters partnerships between landowners, local, state, and federal agencies, and interested nonprofit organizations such as land trusts.

Providing voluntary options to landowners

The Forest Legacy Program offers willing landowners a viable economic alternative to selling their timberland for development. By purchasing development rights at fair market value, but leaving the ownership in private hands, Forest Legacy allows landowners to retain ownership of their land. Landowners can also continue to engage in traditional economic activities on timberland such as sustainable tree harvesting and maple sugar production. Finally, landowners can be secure in the knowledge that their timberland will be protected for future generations and that such traditional activities on the land can be sustained.

Example: In Massachusetts, Ted and Beverly Hutchinson, with the assistance of the Forest Legacy Program, were able to protect permanently approximately 490 acres of their woodland from encroaching development. The sale of the development rights for $616,000 removes the threat of development from the property and allows the Hutchinsons to continue managing their land for forest products as they have for the past 60 years. "I've put a lot of time and energy into this land planting trees and harvesting timber. I'd hate to see houses built all over the property," said Hutchinson.

Conserving timberland for traditional uses

Forest Legacy makes possible the sale of conservation easements by timberland owners wishing to continue the forest uses on their property. In doing so, Forest Legacy protects the quality of life in communities and ensures continued traditional uses of the timberland. Sustainable timber harvesting, outdoor recreational activities such a hunting, fishing, and hiking, are all permitted on property enrolled in the Forest Legacy Program. Moreover, conserving existing timberland checks sprawl, and protects wildlife habitat and the other open space and rural characteristics of many forested areas.

Example: In Vermont, a $342,000 Forest Legacy grant made possible a conservation easement on 2,281 acres of timberland from Wagner Woodlands-Atlas Timber. The land will continue to be owned and managed by the landowner as productive timberland while accessible to the public for traditional recreational activities such as hunting, fishing, hiking, snowmobiling, and cross-country skiing. According to Hank Swan, general partner of Atlas Timber, "I see this purchase to be a win-win situation. Atlas is able to continue its primary mission of sustained yield management and harvest of forest products, while at the same time public use is insured."

Fostering partnerships

Forest Legacy fosters partnerships between willing landowners, interested nonprofit organizations such as land trusts, and local, state, and federal governments. These partnerships help cultivate the mutual understanding that is key to successful long-term agreements. By encouraging the involvement of community-based conservation organizations such land trusts, the program also ensures a board range of community involvement and investment, another factor essential for a successful agreement.

Finally, and perhaps most importantly, Forest Legacy is a highly leveraged program that stretches federal dollars farther. The program requires states to contribute at least a 25 percent match. This means that a significant amount of nonfederal money is raised for each project.

Example: The Rangeley Lakes Heritage Trust worked with the Forest Legacy Program to protect 1,272 acres of pristine Maine forestland. As a result of the $840,000 the Forest Service supplied for the acquisition of a conservation easement on the property, the trust was able to raise over $400,000 to cover the remaining amount needed to purchase and protect the tract. The result was the protection of 3.4 miles of lakefront that represented a critical link in 12 miles of continuous undeveloped lakeshore. It also contributed to more than 40 miles of protected shorefront in the Rangeley Lakes chain, which encompasses over 33,000 acres of public access conservation lands.

The Problem: Underfunding

Since its inception under the 1990 Farm Bill, the Forest Legacy Program has been plagued by underfunding. This has hampered severely its ability to work with willing timberland owners to help prevent their land from being converted to nonforest uses. Demand for the program has increased dramatically, with over $50 million in projects currently awaiting funding. The resources of the program are not adequate to meet this demand. In fiscal year 1998 it received only $4 million—not enough for even a marginal national program, even though it was an increase over the previous year's level.

Currently, 15 states are eligible to receive Forest Legacy funds. Lack of adequate funding is one of the primary reasons that more states with an identifiable need for the program do not participate in it. A number of states considering qualifying for the program have chosen not to devote the administrative time to doing so because of the scarcity of funds. Consequently, timberland that might have been conserved with Forest Legacy funds is lost to development.

Increasing the Forest Legacy appropriation to $50 million annually would expand the number of states participating, result in more projects being completed, and, ultimately, more threatened timberland being protected from development.

Land and Water Conservation Fund State Grants Program

Recommendation.—LTA encourages the committee to increase the appropriation from the Land and Water Conservation Fund. We strongly urge the committee to include funding for the state grants program as well as funding for federal projects.

Since its inception, the Land and Water Conservation Fund (LWCF) has been a crucial element in the conservation of the land and water resources of the nation. LTA applauds the Committee for its efforts to provide increased funding from the LWCF in fiscal year 1998, especially the $699 million supplemental appropriation

enacted for priority federal land acquisitions. We also support the administration's requested $270 million fiscal year 1999 level.

While making its appropriations decisions, Congress should look again at the benefits of providing matching state grants from the LWCF. State LWCF grants leverage federal dollars and reflect community priorities in land conservation and recreational facility enhancement. Unfortunately, state-side LWCF funding has suffered a dramatic reduction over the past five years: at this point, the program is all but shut down. There is no fiscal year 1998 money for state grants, nor does the administration propose any for fiscal year 1999. This program, historically very successful in promoting community and nonprofit involvement in conservation activities, deserves your support.

Example: LWCF grants to the state of Idaho have allowed the Idaho Foundation for Parks and Lands (IFPL) to facilitate successfully a number of projects of importance to communities around the state. For example, the Foundation went into action when 1.8 acres and 560 linear feet of waterfront became available on Payette Lake. Working hand in hand with the local community, IFPL was able to raise $269,000, and, combined with LWCF matching funds, was able to acquire the property for $560,000. The land was then transferred to the City of McCall and turned into McCall Mill Park for the enjoyment of all the local citizens.

Conclusion

The Land Trust Alliance requests that the committee take a leadership role in the rejuvenation of these two important programs that promote voluntary land conservation across the country.

We urge you to appropriate $50 million in fiscal year 1999 for the Forest Legacy Program to allow greater state participation in the program and more key working timberland to be conserved.

In addition, we urge you to allocate a substantial amount of funds from the Land and Water Conservation Fund for the state grants program. These grants will provide states and localities with much needed funds in their pursuit of open space preservation and recreational opportunities for their citizens.

On behalf of the nation's more than 1,100 land trusts, thank you for considering the views of the Land Trust Alliance as you make your funding decisions for the coming fiscal year.

Sincerely,

HELEN HOOPER,
Director of Public Policy.

PREPARED STATEMENT OF JOSE MARQUES, EXECUTIVE DIRECTOR, CHILDREN'S FOREST ASSOCIATION

The Children's Forest Association is working with the San Bernardino National Forest and the local community to plan and develop projects that will provide forest visitors and residents, both youth and adult, with high quality opportunities for recreation and learning about the forest and their role in its protection.

The pressures on the San Bernardino National Forest continue to grow due to 20 million people who live in southern California, rely on these public lands for recreation, solitude, and learning. The Forest faces the threat of greater fragmentation as private inholdings are developed into subdivisions, effectively reducing the available land for recreation and forest ecosystem health. In addition to recreation, the National Forest provides a place for an important ecosystem to thrive. In order to ensure that the ecosystem, including its human community, is healthy in the future we need to ensure there is enough open space. For these reasons, the protection afforded by the $15 million from the LWCF will represent an especially sound investment in the future of this extremely popular National Forest.

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 relating to food production and the environmental situation on Enewetak Atoll. We would also like to give you an update on the initiatives we have taken these past few years to improve not only food production but also the health and education of our people. These initiatives include the continued implementation of a more intensive agriculture program; the continuation of a nutrition education program; the continued implementation of a more effective education program; and, attempts at the economic development of our atoll to permit fishing and/or tourist activity.

Mr. Chairman, at the outset we wish to express our gratitude to the United States Congress for the appropriation of funds these past twelve years to provide food to our people through a program which has become known as the Enewetak Food and Agriculture Program. We are particularly grateful to you Mr. Chairman and to the members of this Subcommittee for the increase of $100,000 of the program's funding (to $1.191 million) for fiscal year 1998.

This program is funded pursuant to Section 103(h)(2) of Public Law 99–239 (Compact of Free Association Act of 1985). We are also grateful that the Congress has amended Section 103(h)(2) of Public Law 99–239 to authorize funding for the program through fiscal year 2001. We now request that funding for the program be appropriated for fiscal year 1999. We note that Congress anticipated the necessity for continued funding of the program when it stated in Section 103(h)(3) of Public Law 99–239: "Payments under this subsection shall be provided to such extent or in such amounts as are necessary for services and other assistance provided pursuant to this subsection. It is the sense of Congress that after the periods of time specified is paragraphs (1) and (2) of this subsection, consideration will be given to such additional funding for these programs as may be necessary."

Of equal significance is the language of Senate Concurrent Resolution 171–2 in which the Congress stated: "It is the sense of the Congress that the special medical care and logistical support program for Rongelap and Utrik and for the agriculture and food programs for Enewetak and Bikini described in section 103(h) of Public Law 99–239 represent special and continuing moral commitments of the United States and will be funded to the extent of the need of the populations of such atolls for such assistance."

The Administration has included funding in the amount of approximately $1.091 million for the Enewetak Food and Agriculture Program in its fiscal year 1999 Budget. However, we must note that the $1.091 million in the Administration's budget is the same amount as the amount appropriated in fiscal year 1987. That is, the funding for the program has substantially declined these past 12 years in real dollars. Applying a 3 percent average annual inflation factor, the $1.091 million appropriated in 1987 now has the purchasing power of approximately $700,000. In short, the program over the years has experienced over a 35 percent cut in funding. At the same time our population has increased at a rate of over 4 percent per year. In addition, it has been suggested that the agriculture rehabilitation component of the program needs to be accelerated. Agriculture equipment, such as backhoes and trucks, and additional manpower are required for such acceleration. The cost of such equipment and manpower is as follows:

3 backhoes plus shipping to Enewetak ($70,000 each)	$210,000
2 flat bed trucks plus shipping to Enewetak ($50,000 each)	100,000
Manpower (21 additional workers)	150,000
Total	460,000

Consequently, we ask that the amount requested by the Administration ($1.091 million) be increased by $460,000 to $1,551,000. It most be noted that such increase does not take into consideration the impact of inflation on the funds as described above. As an alternative to such increase in the program's funds, we ask that the Department of Interior's technical assistance funds be increased by the amount of $460,000 and such amount be specifically earmarked for the $460,000 cost of the additional equipment and manpower required by the Enewetak Food and Agriculture Program.

Below, we briefly describe why the Enewetak Food and Agriculture Program is necessary, and report to you efforts made by us to put these funds to the best possible use.

Background

Enewetak Atoll was the site of 43 of the 66 nuclear tests conducted by the United States in the Marshall Islands between 1948 and 1958. One of the tests was especially significant as it was the first test of a experimental thermonuclear device (hydrogen bomb). This test occurred on October 31, 1952 and was known as the "Mike" test. The test had a yield of 10.4 megatons (750 times greater than the Hiroshima bomb). The Mike test vaporized a number of islands, leaving a crater a mile in diameter and 200 feet deep.

The 43 nuclear tests conducted at Enewetak were detonated in the air, on towers, on the surface of islands and reefs, on barges, and underwater. Some of the "ground zeros," or surface level explosions, were on the islands themselves, some were on the reef, some were in the lagoon, and one was in the ocean nearby. In addition, two plutonium experiments were conducted on the island of Runit in which the de-

vices did not fully detonate but instead sprayed chunks of plutonium across the island. Nuclear testing on Enewetak ended with the last Operation Hardtack test on August 18, 1958.

The Nuclear Testing Program inflicted serious damage to Enewetak Atoll. Five islands in the atoll were completely or partially vaporized by the nuclear tests. The remaining islands on the northern half of the atoll, including the major residential and agricultural island of Enjebi, were heavily contaminated with radioactivity, as was the island of Runit. Debris and wreckage—radioactive and nonradioactive—littered many of the islands. The atoll's lagoon was seriously damaged. Large bomb craters covered many of the islands. The southern islands of Enewetak and Medren were mostly covered by concrete and asphalt since they were used for various facilities required by the Nuclear Testing Program, including concrete foundations, roads, airstrips, and an airport. As a result, the entire atoll was devastated—vegetation was completely stripped from many of the islands, and nearly all plants of agricultural and economic value on the atoll were totally destroyed.

In December of 1947, prior to the testing program, the United States relocated us to a small and remote atoll 125 miles southwest of Enewetak. That atoll is named Ujelang. Ujelang atoll has a land area less than one-fourth that of Enewetak, and a lagoon less than one-sixteenth that of Enewetak. The suffering and hardship we experienced between 1947 and 1980 at Ujelang is well documented and ultimately resulted in a commitment by the United States to resettle us at our home atoll of Enewetak.

In order to permit us to return to our ancestral homeland, the United States, between 1977 and 1980, undertook a resettlement program which included revegetation of the atoll. Crops of coconut, pandanus, breadfruit, taro, bananas and lime were planted beginning in 1979 and the plantings continue as part of the Enewetak Food and Agriculture Program. The crops have never produced the projected quantity of food and do not now provide sufficient food for our population. The problem is significant since less than one-third of the land of the atoll can be used for food production. We cannot harvest the food crops of the northern islands of the atoll due to the relatively high level of radiation in these foods and some land remains unavailable to us for agriculture use because it remains covered by concrete and asphalt.

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.

Efforts made to increase food production.—As we previously explained to this committee, we were unhappy with the state of the agriculture rehabilitation program when we inherited the program from the Department of Energy. Accordingly, in 1993 we had an assessment of our agriculture situation conducted. The purpose of such assessment was to determine the then current agriculture situation and to develop recommendations for increased food production. The recommendations included the hiring of a part time on-site agriculture consultant. The agriculture consultant began his work in 1993 and modified the recommendations somewhat. 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. Additional funding in the amount of $460,000 as requested in this statement would greatly assist in accelerating the agriculture rehabilitation of the atoll.

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. Since we have taken over the program we have increased the quantity of imported food by 35 percent without any increase in the overall program budget. We have accomplished this by utilizing bidding procedures for food purchases; elimination of transportation charges by use of our motor sailer (Wetak II); elimination of import tax on food; and reduction of other program expenses.

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, suf-

fered 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.

Wetak II (waterborne transportation).—The Wetak II, a fifty foot motor sailer, is used to primarily transport our imported food purchases and agriculture material from the region to Enewetak. Food and agriculture material is transported from Majuro, a distance of 600 miles from Enewetak. We are extremely proud of the hard work and perseverance of our local crew and local captain in carrying out this assignment. Transportation in this manner permits us to save substantial shipping costs.

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 40 members of our community.

Review of Enewetak Food and Agriculture Program

In 1997, the House Appropriations Committee, Subcommittee on Interior and Related Agencies, asked the Department of Interior to review the program and submit a report. We understand that a report concerning such review has recently been completed. We were given a copy of a draft of the report and noticed that there were some inaccuracies relating to the nature of the program and some misinterpretations of data which resulted in several erroneous assumptions and conclusions. We commented on such inaccuracies and misinterpretations in our comments to the report. We understand that our comments will be made a part of the report. Notwithstanding the foregoing, the report does conclude that the continuation of the program is necessary, that continued funding is necessary, and that the agriculture rehabilitation component of the program needs to be accelerated. We have been told by our agriculture consultant that the program can be accelerated so long as we obtain additional equipment and manpower. The additional equipment consists of three backhoes and two flat bed trucks. The additional manpower consists of twenty-one additional workers. Cost figures for such equipment and manpower are provided above.

Conclusion

In closing, we thank the Congress for its past funding of the Enewetak Food and Agriculture Program and trust that it will provide funding for fiscal year 1999 (at least $1.091 million) and increase such funding with the additional amount of $460,000 for fiscal year 1999 either directly to the program or to technical assistance specifically for the Enewetak program.

U.S. Geological Survey

Prepared Statement of Henry Dean, Chairman, Interstate Council on Water Policy

The Interstate Council on Water Policy (ICWP) represents state, interstate, intrastate, and regional water agencies; academic institutions; professional and business firms; and individuals committed to the conservation, use, development and wise management of water. Established in 1959, ICWP is the national voice for water-related interests both on quantity and quality issues. The Interstate Council on Water Policy has taken keen interest in the federal budget as it pertains to data collection and analysis from the nation's water resources. In the recent past, we have commented numerous times on the budget of the U.S. Geological Survey, particularly over the demise of the stream gaging program brought about by budgetary cutbacks.

In reviewing the President's Budget for the USGS in Federal fiscal year 1999, we are pleased that increases are recommended for the Hydrologic Networks and Analysis and Federal-State Cooperative Program line-items. These two activities comprise the National Stream Gaging Network. We are particularly pleased that base adjustments to these two programs are provided as well as new initiative funding. Base adjustments are recommended at $730,000 and $1.72 million, respectively, for the Hydrologic Networks and the Coop Programs. We view these adjustments as more important than the new initiatives because they help retard the erosive effects

of inflation on current service levels within those programs. At a minimum, ICWP recommends that these base adjustments be approved, bringing the fiscal year 1999 base for the Hydrologic Networks to $24.8 million and the Coop Program base to $68 million.

There is also $14.3 million in enhancements proposed for incentives under the Water Resources Division of the USGS in fiscal year 1999. Many of these incentives can be classed under the Administration's Clean Water Action Plan or its theme of the Citizen's Right to Know with water quality as the centerpiece of that information. ICWP acknowledges the benefit of many of the efforts proposed under the Clean Water Action Plan and supports the open access of water data and information to citizens and decisions makers on a real time basis.

However, our review of the budget leaves an impression that the basic collection of these data is subservient to the efforts to showcase such information and promote water quality as the premier water resource issue. Left out of the budget are efforts to enhance the acquisition of streamflow data. For example, the enhancement of $787,000 for Hydrologic Networks and Analysis is dominated by $3.5 million (offset by reduction in other program components) for water quality collection in National Park Service watersheds and enhanced availability and dissemination of water quality data. The $4 million enhancement of the Coop Program is linked to the water quality conditions and processes present in the nation's watersheds and additional dissemination of water quality data.

Neither enhancement mentions expansion of the nationwide gaging station network as part of these endeavors. ICWP views this as ironic since one of the major water quality tasks facing the nation will be the establishment of Total Maximum Daily Loads for polluted runoff and baseflow. These loads require a flow value in order to be calculated. In fact, flow, as the delivery mechanism of many of the pollutants impairing the nation's waterways, is probably a more important factor than the concentration of the pollutant itself. Yet, the budget neglects to direct resources toward increasing the information base on streamflows as part of these initiatives.

On the matter of Right-to-Know, ICWP notes that up to $7 million of the enhancement funding is directed toward water quality information and water information delivery within the line items of Hydrologic Networks and Analysis, Water Information Delivery and the Federal-State Cooperative Water Program. Once again, while the efforts to increase the access of water data are laudable, we are left with the impression that the Administration is more concerned with access than acquisition. We believe that the Citizen's Right to Know is tied to Government's Duty to Show, that is, access is irrelevant if the rudimentary tasks of data collection are neglected. We would encourage the Subcommittee to direct a portion of the proposed enhancements into efforts to expand the ability to monitor streamflow conditions. The benefits of expansions in stream gaging may not be as obvious as providing Internet access to water information, but the management of extreme hydrologic events, such as flood and drought, are deeply dependent upon adequate coverage of data networks as well as the access to the data those networks provide.

ICWP wishes to advise the subcommittee on one matter which is tangential to the USGS budget. In recent years, cooperative efforts by the USGS and ICWP have been successful in stemming the loss of stream gages across the nation. However, the subcommittee needs to be aware that other Federal agencies, notably the Corps of Engineers, have helped fund these stations. Budgetary constraints within the Corps is inducing certain District offices to withdraw their support of gaging stations traditionally used by the Corps and States in the management of water resources. Numerous members of ICWP are facing circumstances of losing gages which they have historically relied upon for certain needs because of Water Control operations within Corps Districts are cutting out support.

Additionally, there are efforts by other Federal agencies in water management which utilize stream gaging stations but do not provide financial backing to the operation of those gages. Specifically, the National Weather Service is recommended to receive enhanced funding for Advanced Hydrologic Prediction and Forecasting capabilities integrating data into predictive forecast models to predict medium term hydrologic conditions. However, the ground truth of such modeling endeavors, the gaging stations on the major streams and tributaries were not coincidentally enhanced, placing the models in a precarious situation of having to rely on assumptions rather than data for calibration, verification and prediction.

Similarly, the Clean Water Action Plan, with the Environmental Protection Agency and the Department of Agriculture in lead, places a great deal of emphasis on reducing polluted runoff and enhancing monitoring efforts. Left unsaid is the fact that the gaging stations of USGS will play a key role in assessing the relationship between flow conditions and pollutant loads, the relative geographic contribution of

pollution on a watershed scale and ultimate evaluation of state and federal program activity to reduce water quality impairment.

These three examples point out the need for the Subcommittee to provide for adequate support of stream gaging in concert with other agency activities, either by providing sufficient funding and flexibility in those agencies to utilize the USGS or to provide increased funding in the USGS to fulfill that support mission in concert with those agencies.

The interaction of agency budgets for data collection and (acquisition is long overdue and further neglect in recognizing this interplay among agency missions and the basic resources needed to fulfill those missions will compromise water management, be it ongoing programs or new initiatives.

The ICWP encourages the Subcommittee examine these issues and provide sufficient direction and support to the basic functions of USGS in continuing to provide streamflow information of the highest quality to water managers across the nation. As we have said in the past, regardless of the expertise housed within USGS, without the ongoing collection of basic data, the states have little need for interpretive analysis of water resources.

The ICWP thanks the Subcommittee for the opportunity to provide these comments regarding the budget of the U.S. Geological Survey.

BUREAU OF INDIAN AFFAIRS

PREPARED STATEMENT OF JULIA A. DAVIS, CHAIR, NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

It is an honor to present testimony on behalf of the Northwest Portland Area Indian Health Board, a tribal organization which represents 40 Federally-recognized tribes in Oregon, Washington, and Idaho on health-related issues.

This organization is charged each year with reviewing the President's budget for the Indian Health Service and analyzing its impact on Indian health programs. We are submitting that analysis as our written testimony, and I am here today to share with you a brief summary of our concerns about this budget.

This Board is very familiar with the details of the Balanced Budget Agreement, which calls for large cuts in discretionary program spending over the next four years. But beginning in late fall as talk of a "budget surplus" surfaced and rumors were heard that some of this "surplus" might be directed towards discretionary health programs, we became hopeful that the President would propose reasonable increases for the Indian Health Service budget. And when we listened to the State of the Union address in which the President spoke of extending health care to children of working poor families and to more senior citizens, and to addressing health disparity among America's racial minorities, we became downright optimistic. Surely the President intended Indian people, who continue to have excess morbidity and mortality to share in these initiatives. But when we finally saw the budget and read Secretary Shalala's joyous budget announcements on the Department's website and e-mail, our hope turned to dismay as we painfully realized that American Indian people were excluded.

There is nothing joyful for us in a budget which proposed an increase of 8.5 percent for the National Institutes of Health, 17.7 percent for the Food and Drug Administration, 17 percent for the Agency for Health Care Policy Research, but just 1.8 percent for the Indian Health Services—and less than one percent (0.9 percent) if new facility construction is excluded.

Perhaps this Administration has forgotten about the commitments made in treaties and Executive Orders in which Indian tribes ceded land and resources in exchange for health care and other assistance. But we have not forgotten.

Perhaps this Administration has forgotten that Indian health programs are a success story that demonstrates what the Federal government at its best can accomplish. But we have not forgotten that from 1972 to 1992, infant mortality rates for American Indians decreased by 60 percent that the life expectancy for American Indians went from 63.5 years in 1972 to 73.2 years in 1992.

Perhaps this Administration has forgotten that American Indian people still have considerably higher mortality rates than the general population for diabetes, tuberculosis, alcoholism, accidents, pneumonia and influenza, suicide and homicide. But we have not forgotten because we deal with the reality of these statistics on a daily basis.

Perhaps this Administration has forgotten that after many failed policies, the most successful policy this nation has ever had in its 200-year relationship with Indian tribes is the policy of Indian Self-Determination. And perhaps it has forgotten

about the commitment made by the President for consultation with tribal governments. But we have not forgotten. This budget has effectively ended the opportunity for self-determination by not providing new contract support cost funding, one of the highest budget priorities identified by tribes in consultation with IHS.

Perhaps this Administration has forgotten that the Indian Health Service has already contributed more than its share to balancing the Federal budget, having absorbed over a billion dollars in unfunded mandatory costs since 1993. But those of us trying to operate health clinics have not forgotten.

Perhaps this Administration has forgotten that since 1995 the Interior Appropriation has increased only 3.4 percent while Labor, HHS, and Education has increased by 22.3 percent. But we have not forgotten and are not so naive as to understand that for Congress to find additional money for IHS, funds must come from another agency in an already strapped appropriation.

Perhaps the Administration has forgotten that in 1993 it proposed unrealistic Medicaid collections to justify an inadequate and unfair budget for the Indian Health Service and Congress recognized this and restored funding. But we have not forgotten. We know that the Children's Health Initiative Program (CHIPS) program will produce very little new collections in our area, and that negotiations between HCFA and IHS for a reimbursement rate increase have stalled. We know budget gimmickry when we see it.

And finally, perhaps what this Administration has forgotten is what Indian health programs are doing. Indian health programs are on the front lines relieving the pain and suffering of real people and preventing future pain and suffering. This is not an agency that can simply give out a few less grants to make up a budget reduction. We are delivering health care.

Northwest tribes ask this Committee to restore the funding that is proposed to be cut in hospitals and clinics, sanitation construction, and maintenance and improvement. Additional funds must be found to fund the mandatory costs that every program must pay. This is particularly critical for the Contract Health Service Program. The Indian Self-Determination Fund must be restored and at a level so that those tribes waiting to take responsibility for the health status of their people can do so in a reasonable period of time.

New ways must be found to address facility construction needs. Congress should provide opportunities for IHS and tribes to join forces in Joint Venture Construction Projects. The facility needs of small tribes should be addressed through the small grants program and through the ability to utilize Maintenance and Improvement funds.

We have asked this Administration to propose a budget amendment that allows IHS to share in the 8.4 percent average budget increase proposed for the other discretionary health programs in the Department of Health and Human Services. If the Administration does not propose such an amendment it is our hope that this Committee can identify resources so that Indian health programs share in this commitment to improve the health of the American people.

PREPARED STATEMENT OF THE NATIONAL INDIAN CHILD WELFARE ASSOCIATION

The National Indian Child Welfare Association submits the following recommendations regarding the fiscal year 1999 Bureau of Indian Affairs and Indian Health Services budgets and those agencies data-gathering efforts as they relate to child welfare.

—Support the Administration's BIA fiscal year 1999 Budget Request relating to Child Protection and Family Violence Prevention Grant Program ($5 Million) under the Tribal Priority Allocations (TPA) budget category.

—Restore historic funding of Indian Child Welfare Act (ICWA), Title II Off-Reservation grant programs ($2 Million) which was funded through fiscal year 1996 under Special Projects and Pooled Overhead portion of the BIA budget, but is not identified in the Administration's request for fiscal year 1999.

—Require the BIA and IHS to provide more detailed information on programs that provide funding/services for children. This information is needed to accurately identify the need for these programs and how BIA and IHS budget requests respond to that need. The recommendations pertain to the Tribal ICWA, Title II grant programs under TPA and the IHS Mental Health and Social Services and Contract Health Services budget categories (specific recommendations described below and in Conclusion section of testimony.)

Organization Profile.—The National Indian Child Welfare Association is based in Portland, Oregon and provides a broad range of services including, (1) training and technical assistance for tribal and urban Indian child welfare professionals, (2) con-

sultation on mental health and child welfare program development, (3) by request, facilitation of child abuse and neglect community prevention activities and (4) analysis and dissemination of public policy information that impacts Indian children and families. Our constituents are tribal governments and urban Indian child welfare programs throughout the United States. Our organization works closely with the Affiliated Tribes of Northwest Indians and National Congress of American Indians as well as having members on the Indian Child Welfare Committees of both organizations. This will be our sixth year in providing written testimony to this Subcommittee.

Measuring Need.—Under TPA tribes are essentially provided a block grant from which they must fund a broad variety of services. Under this system tribes must make decisions about which services they can fund and at what level. However, many tribes encounter situations when they must transfer funding from one financially strapped services to another, even though both services are overwhelmed by the human need they face. The BIA looks at this transfer as a measure of decreased need, which they use when developing their budget requests. This provides only an artificial measurement of need. Using this method, Congress and the Administration will never know what the actual need for any program under TPA is and how well appropriated funds are doing in trying to meet that need.

Data provided to Congress should accurately describe human need, not just budget priorities. Amazingly, the BIA has been allowed to provide only superficial data to justify budget requests. For example, it is virtually impossible to know how many clients received child welfare services, what kind of services are provided and how need for child welfare compares to the level of services being funded.

Another important factor in determining the need for child welfare funding is tribal access to other program services and funding. Of the top four federal sources of child welfare funding guaranteed to states under the Social Security Act (Title IV–B subparts 1 and 2, Title IV–E and Title XX) tribes only have guaranteed access to one, Title IV–B subpart 1 Child Welfare Services, and the amounts of funding available from this source for tribes are extremely limited (approximately $5 Million projected for fiscal year 1998).

This situation combined with dwindling state resources, lack of state expertise in serving Indian families, and states reluctance to provide services in Indian communities based on financial and jurisdictional issues, has created a serious crisis for tribes in their efforts to protect their children and establish permanency and stability for those children who need help.

Tribal Child Welfare Programs.—Until fiscal year 1993 tribes had been forced to compete for child welfare funding from year to year. This competitive process was extremely disruptive and in most years only allowed approximately 50 percent of the tribes nationwide to receive any child welfare funding. Improvements in the grant process and small increases to ICWA and Title IV–B funding have enhanced tribal access to child welfare funding, but there is still a need to continue efforts to make more funds available to address child abuse and neglect. One such effort is provided by the Administration's proposal to fund the Child Protection and Family Violence Prevention grant program ($5 million). Other efforts should include a more careful and accurate analysis of the child welfare needs of tribes by the BIA for purposes of budgetary recommendation. This analysis should be based on more than just population figures and how tribes are able to prioritize their limited TPA funds. It should include data on types of services provided, how many children and families receive these services, number of out-of-home placements of Indian children, type of out-of-home placement, length of time in out-of-home care, and numbers of children who are able to secure permanence though reunification, guardianship, kinship/relative care or adoption.

Other factors that deserve careful analysis include tribal access to other child welfare funding or services and the relative costs of providing basic child welfare services on tribal lands. This is meaningful data that can provide Congress with an accurate definition of need.

The most recent research on risk assessment of child abuse for Indian children indicates that 34.4 percent of Indian children are at risk for abuse or neglect (1993 National Indian Justice Center Study on Indian child maltreatment funded by the Indian Health Service). Many other documented indicators of the need for these services are also highly visible in many Indian communities such as extreme poverty and high rates of substance abuse.

Off-Reservation ICWA, Title II Grants.—Off-reservation programs can provide a number of important services to both tribes, states, and individual Indian children and families. The ICWA does not make a distinction between who should benefit from the Act, and is designed to protect Indian children and families everywhere. Arguably, Indian children living outside of their tribal community are some of the

most vulnerable Indian children to stressors that are linked to risk for abuse and neglect. These off-reservation programs, where they have been able to exist, can provide key linkages to tribes when their members become involved in state child welfare systems—all of which are designed to meet the purpose of the Indian Child Welfare Act. Some common services that these programs can provide include:

—At the request of tribes, provide case advocacy or other services such as foster care to tribal children who do not live on the reservation and whose tribe may not even be in the state.

—Act as a resource to state agencies, courts and private agencies by providing training on how to provide more cost-effective services.

—Recruiting and licensing Indian foster and adoptive families, an activity that states often do not have resources for and are not successful at.

Off-reservation programs have suffered from the instability of inadequate funds and a competitive grants process. Historically, funding levels for off-reservation ICWA programs have been between $1.5 to $2 million. This has enabled the BIA minimally fund about 40 programs a year serve the 65 percent of the Indian population that lives in primarily urban settings. These programs have also tried to access private foundation funding and state contracts to supplement ICWA grants. However, these funds have been increasingly difficult to secure, especially in light of increased competition for these resources due to reductions in state and federal funding.

We also know that many of these children may be served by state child welfare agencies at some point. Because of the small number of off-reservation ICWA programs operating in the United States, many of these children in urban areas are at great risk for not receiving needed services or protections. This seems especially relevant when you consider the budgetary problems that states are experiencing that result in minimal resources for staff training and services in general.

Mental Health Services.—One of the best assessments of the current status of mental health services for Indian children is contained in a report that NICWA published in 1996 entitled, "American Indian Children's Mental Health Services: An Assessment of Tribal Access to Children's Mental Health Funding and a Review of Tribal Mental Health Programs." We have provided a complimentary copy for the Subcommittee to review. The report details issues affecting access to mental health services, current funding sources, an original survey of tribal mental health providers, profiles of the four tribal mental health service systems, barriers to access of mental health services and compilation of recommendations for improving access to services.

Three issues we believe are of great importance to the Committee's consideration of our request are: (1) The IHS system of mental health service delivery is primarily geared to adults (see statistics on page 4 and 15–17 of the above-mentioned report); (2) it is difficult, if not impossible, to identify how much of the IHS funding under the Mental Health and Social Services and Contract health Services budget categories go to mental health service, particularly mental health services to children; and (3) IHS admits in their own budget request that they are not able to meet the current need with available resources (see Page IHS–48). Our best sense, based on findings in our report, is that children receive a few mental health services funded by IHS. We therefore recommend that the Committee require IHS to provide data detailing the level of funding from Mental Health and Social Services and Contract Health Services that supports mental services for Indian children.

Conclusion.—Tribal child welfare programs are a valuable resource shown to be extremely effective in protecting Indian children and strengthening Indian families. A study in 1988 commissioned by the Department of Health and Human Services and Department of Interior entitled, "Indian Child Welfare: A Status Report", revealed that tribal programs outperformed the BIA and state child welfare programs, notwithstanding the limited funding available to tribes. Specifically, Indian children in substitute care had shorter stays in foster care and higher rates of permanency when served by tribal programs. In 1994 the Office of Inspector General issued a report entitled, "Opportunities for ACF to Improve Child Welfare Services and Protection for Native American Children", which clearly showed that most states were either not willing or able to share federal funds for child welfare services with tribes. This clearly demonstrates that tribes, when provided opportunity, are able providers of child welfare services, while currently not being able to depend on state funding sources or services.

We must also take into consideration other factors which impact the ability of tribes and off-reservation programs to protect their children and give them a sense of permanence. Because of welfare reform and recent child welfare reform, states have additional pressures to target their resources carefully. This will most likely mean that states historic reluctance to provide services on tribal lands will continue

and possibly get worse. If tribes are not given the adequate resources, then Indian children will likely continue to be the most unprotected class of children in this country with the least access to services that help provide permanency.

The National Indian Child Welfare Association request that the Subcommittee recommend the requests we have made in our testimony. They are as follows:

—Support the Administration's BIA fiscal year 1999 budget request relating to Child Protection and Family Violence Prevention Grant Program ($5 Million) under the Tribal Priority Allocations (TPA) budget category.

—Restore historic funding of Indian Child Welfare Act (ICWA), Title II Off-Reservation grant programs ($2 Million) which was funded through fiscal year 1996 under the Special Projects and Pooled Overhead portion of the BIA budget, but is not identified in the Administration's request for fiscal year 1999.

—Require the BIA to provide adequate child welfare data to Congress. Some examples of this data are types of services provided, how many children and families received these services, number of out-of-home placements of Indian children, type of out-of-home placement, length of time in out-of-home care and number of children who are able to secure permanence through family reunification, guardianship, relative/kinship care or adoption.

—Require the IHS to provide data detailing the level of funding from Mental Health and Social Services and Contract Health Services budget categories that supports mental health services for Indian children.

Please consider these requests carefully and help tribal governments and off-reservation ICWA programs continue to offer proven, effective programs for Indian children and families.

PREPARED STATEMENT OF THE LOWER ELWHA KLALLAM TRIBE

Summary

Elwha River Restoration (BIA), Treaty Rights Protection, $464,112.

Shellfish Add-on, BIA Fisheries, $97,500.

Support the Administration request for a general increase in TPA, $34 million.

Support the Administration's request for an increase in BIA law enforcement of $25 million, including detention facilities.

Provide additional funds for General Assistance (BIA); and start up funds for tribes taking over welfare reform (TANF).

Support the Congress increasing the IHS appropriation over the Administration's request.

Elwha River Restoration

In 1992 a unique coalition of interests came together to seek a comprehensive legislative resolution of conflicts concerning the Elwha River in Washington State. This coalition worked closely with a bipartisan group of Washington State congressional members to secure the passage and enactment of the Elwha River Ecosystem and Fisheries Restoration Act (Public Law 102–495).

Every activity involved in Elwha River restoration, from dam removal to water supply protection, and every phase of restoration, from preliminary design to post-construction monitoring, will directly affect the governmental interests of the Elwha Klallam Tribe. Our people consider that the effects of Elwha River Restoration need to be carried out with the highest priority being paid to treaty rights protection.

How the dams are removed and sediment is released from the reservoirs will directly affect traditional cultural properties throughout the watershed, as well as treaty fisheries, water quality, and flood safety on the Lower Elwha Reservation. The same is true of levee upgrades and other floodplain mitigation on the reservation.

The negotiation, design, construction, and operation of a new facility to protect municipal water supplies will directly affect tribal water rights, reservation water quality, treaty fisheries and intergovernmental relations with neighboring communities.

In order to protect its legal interests and carry out essential governmental functions during the design phase, the Tribe must retain core administrative and technical staff. It must also have funding for access to engineering, legal, and other technical expertise to assist core staff in identifying and negotiating design alternatives that protect the Tribe's political integrity, economic security, health and safety.

The Tribe's existing fiscal year 1998 Funding Request, as yet not approved, sets out realistic funding needs. At a minimum, core administrative staff should be funded at the levels expressed there at approximately $214,112. Contractual funding should provide at least one engineering FTE and legal, policy and miscellaneous

technical consultants, totaling another $250,000. The Lower Elwha Klallam Tribe is respectfully requesting funding for fiscal year 1999 at a level of $464,112, since we have not been funded in the current year.

Shellfish Add-on

The Western Washington tribes in the Case Area of *U.S.* v. *Washington* are now tasked with additional responsibilities under the latest rulings with respect to shellfish rights. The request of the twenty tribes so affected is for a total of $1.95 million, providing for a biologist and an enforcement officer for each tribe to address issues of public health protection and illegal harvest activity. We respectfully request $97,500 within this amount for the Lower Elwha Klallam Tribe which supports this Northwest Indian Fisheries Commission initiative.

TPA Increase

The Lower Elwha Klallam Tribe supports the Administration's request for an increase in TPA of $34 million, with earmarks for specific programs. The Tribe is a self-governance Tribe, and as other tribes who take advantage of their authorities under the Indian Self-Determination Act, the TPA fund is our life's blood for Tribal programs. We agree that small and needy tribes deserve the additional funds requested; and we also support the increase in the Indian Self-Determination Fund.

BIA Law Enforcement

We have been closely following discussions sponsored by the Administration on the possibility of moving Indian country law enforcement to the Department of Justice. We support the current arrangement, but we feel that funding is inadequate. We therefore support the Administration's request for an additional $25 million in BIA Law Enforcement. We support the Administration's request for detention facilities.

Social Services, GA, and TANF

Due to the vastly increased demand for General Assistance (GA) benefits on most of the reservations in America, funds for many smaller tribes for GA have been significantly reduced. The Lower Elwha Klallam Tribe has taken a substantial reduction in our GA funding; it is only through very tight management that these funds last throughout the entire year. We respectfully request that the Congress look closely at documented need in this program.

As the Congress is well aware, domestic crime in Indian country is on the increase. Because Indian communities are so at risk, we request additional funds be made available for our Social Services and Indian Child Welfare Programs. In addition to these responsibilities, the Lower Elwha Klallam Tribe is actively pursuing negotiations with the State of Washington to assume the responsibility for TANF for our people. This is such a great change that we request start-up funds to make our assumption of this welfare program a success.

Indian Health

Finally, as the Congress is well aware, the health status of American Indians and Alaska Natives is the lowest of any group in America. The Administration has requested a minuscule increase in fiscal year 1999 funding for IHS. The Lower Elwha Klallam Tribe respectfully requests that funding for IHS be increased sufficiently to include funds for mandatory increases, at a minimum.

PREPARED STATEMENT OF MERV GEORGE, JR., CHAIRMAN, HOOPA VALLEY TRIBE OF CALIFORNIA

On behalf of the Hoopa Valley Tribe of California, I respectfully submit our comments regarding the fiscal year 1999 proposed budgets of the Bureau of Indian Affairs, U.S. Fish and Wildlife Service, and Office of the Special Trustee. A summary of my testimony follows:

Request $200,000 from the BIA Forestry budget for NEPA, ARPA, and the National Indian Forest Management Act activities.

Request $150,000 from the BIA Forestry budget for resource protection activities to reduce timber theft.

Support increase to the BIA Forest Development budget.

Request $140,000 from the BIA ESA budget for tribal costs associated with ESA implementation.

Request $2.6 million from the Office of Special Trustee budget for the California Trust Reform Demonstration Project.

Support increase of $2.5 million for the USFWS Klamath River Fishery Restoration Program and an additional amount of $1.5 million for the Yurok and Karuk Tribes and USFWS.

Request that the USFWS be directed to work with tribes prior to transferring Klamath and Trinity River issues to the proposed Pacific Southwest Regional Office.

The Tribe supports funding increases for the BIA Waste Management and Environmental Cleanup Programs.

The Tribe supports funding for BIA Indian Land Consolidation activities.

The Tribe supports funding for the BIA Office of Self-Governance and for Self-Governance Tribal Grants.

Narrative of budget requests

BIA—Forestry.—The Tribe has identified insufficient funding as a major deficiency within the Forest Planning Branch which implements the federal requirements under NEPA, Endangered Species Act (ESA) and Archaeological Resources Protection Act (ARPA). In fiscal year 1997, the BIA provided no funds for planning (NEPA) purposes. While some funds are provided by the BIA for wildlife ESA work, it is insufficient to cover the costs of the program, particularly for botanical surveys for ESA T&E plants.

Finally, the BIA provides no funds to complete ARPA required surveys for archaeological resources. While the Tribe has funded these activities in the past, we will not be able to in the future because our administrative fees budget cannot withstand the current spending levels or anticipated future costs. Most of the Tribe's forestry funding is committed to paying for other legal requirements associated with ESA T&E plants, archaeology (ARPA) and NEPA.

We request funding of $200,000 from the BIA Forestry budget in order to meet federal legal requirements for NEPA, ARPA, and the National Indian Forest Management Act.

BIA—Forest protection.—The Tribe has numerous federally-constructed roads on the Reservation which are open to the public. As a result, the Tribe experiences timber theft, principally from illegally cutting of firewood. Most often, this timber theft is taken from standing old growth Douglas-fir trees. At current rates of theft, which in 1986 were measured at 1,000 MBF/year, the value of the lost timber resources is $500,000/year.

We request that the Subcommittee provide $150,000 in the BIA Forestry budget for a resource protection officer and two resource protection technicians to reduce timber theft on the Reservation.

BIA—Forest development funds.—Forest Development funds provide critical funding to Indian tribes and the BIA to address required forest treatment activities and to address backlogs in pre-commercial thinning of Indian commercial timber lands. Since 1989, the Tribe has worked hard to prevent any additional backlog by striving to include these costs in our existing federal and tribal budgets. This effort, for the most part, has been successful. However, the pre-1989 backlog, which was generated when the BIA managed the Reservation forestry programs, remains to be a problem. The annual costs for addressing the Forest Development backlogs for the Hoopa Reservation is estimated to be $1,099,000.

Therefore, we support an increase to the Forest development budget of the BIA and an increase in the Tribe's Forest Development funds.

BIA—Road maintenance program.—Adequate transportation systems for Indian reservations are critical components for developing and maintaining tribal economies and local infrastructures. However, each year, the BIA Road Maintenance Program continues to be drastically underfunded. At Hoopa, the Tribe has had to incorporated the BIA Road Maintenance Program with Federal Highway Administration funds and tribal timber roads in order to deliver even minimal services to the Reservation residence. However, it is unlikely that the Tribe will be financially capable of continuing our level of funding for this program in future years. Additionally, there is a major capitalization need for new road maintenance equipment since none of the Federal roads equipment has not replaced since 1977. The annual estimated cost for the BIA Hoopa Road Maintenance Program is $350,000–$450,000.

The Tribe supports an increase in the BIA's Road Maintenance Program and requests an increase to the Hoopa Reservation Road Maintenance Program of $100,000.

BIA—Endangered species funds.—The ESA has profound implications for the Hoopa Valley Tribe. On the one hand, the Act potentially provides the necessary leverage to alter poor land management practices contributing to species decline; on the other, restrictions applied to Tribal resource use, threaten the economy and rights of the Tribe.

It is well established that cultural, subsistence and threatened and endangered wildlife and fish species that are important to tribes are a Trust Resource with which the United States must protect. In order to accomplish this, the Tribe's level of funding must be increased to address both ESA species as well as other wildlife management activities related to all wildlife species of concern to the Tribe.

On April 25, 1997, the National Marine Fisheries Service (NMFS) declared the coho salmon of the southern Oregon and northern California Evolutionarily Significant Unit (ESU) "threatened" as defined by ESA. This action has a direct impact on the Tribe's access to the trust fishery resources of the Trinity Basin. At the very least, this action by NMFS will cause the Tribe to engage in a cumbersome bureaucratic and technical process to legitimize harvest of coho.

This new burden to Tribal resource managers will require increased budgets in order to fulfill our new legal requirements. Moreover, immediate demands placed upon Tribal natural resources staff because of the regulatory requirements of the ESA will ultimately impair the ability of the Tribe to utilize trust resources. Long-term recovery of ESA listed fish and wildlife species will necessitate development of Tribal Habitat Conservation Plans (HCP) and will require additional staff.

Therefore, in order to meet the minimum survey level for marbled murrelets, spotted owl monitoring effort, and address the new requirements caused by the listing of coho salmon, the Tribe requests $140,000 from the BIA ESA budget to pay for the increased obligations to the Tribal Fisheries and Forestry Departments.

DOI—Office of the Special Trustee.—The Office of the Special Trustee was established as a result of enactment of the American Indian Trust Fund Management Reform Act of 1994. As part of his task, in 1997, the Special Trustee developed a Strategic Plan, in which he proposed reform in the BIA's management of financial and trust assets held for tribes and individual Indians.

The Tribe participated in many of the Special Trustee's consultation meetings and made numerous recommended changes to the proposed Strategic Plan with respect to trust resource management. None of our recommendations have yet been incorporated into any revisions to the Strategic Plan.

The Tribe believes that a key part of addressing the Federal Government's trust management concerns is for tribes and the BIA to formally establish management standards for trust resources that incorporate the Tribe's interests and priorities along with the responsibilities of the Federal Government. An important part of the implementation of the trust management standards is to restructure the BIA in a manner that would create a more responsive and effective federal structure so as to promote cooperative partnerships with Indian tribes.

Beginning in 1997, seven California Indian tribes, including Hoopa, Yurok, Big Lagoon, Redding Rancheria, Cabazon, Karuk and Cahuilla and the BIA Sacramento Area Office, agreed to participate in a California Trust Reform Demonstration Project to implement the plan. The plan includes developing agreements between the BIA and participating tribes for management of trust resources, formally establishing mutually acceptable trust management standards, streamlining the BIA organizational and decision process for trust resources issues, and conducting annual trust management evaluations to evaluate implementation of the plan. The Special Trustee's Strategic Plan was used as a guide for developing the components for the California Trust Reform Demonstration Project.

The project approved by California Tribes as part of a California-wide BIA restructuring plan. The seven tribes then submitted a "638" contract request to the Office of the Special Trustee for implementing the plan. The funding amount for developing both tribal and Sacramento Area Office capabilities for implementing the plan was $2.6 million. However, despite language contained in the Special Trustee's Budget Justification which suggested support for working with tribes and entering into tribal self-determination agreements, on March 16, 1998, the Special Trustee arbitrarily denied the contract.

The California Trust Reform Demonstration Project contains effective methods for addressing most of the problems raised by the Special Trustee with respect to the BIA's management of trust resources. However, the Special Trustee denied our contract request without comment, negotiation or consultation with our tribes. Therefore, we request that the Subcommittee to designate $2.6 million from the Special Trustee's budget for implementation of the California Trust Reform Demonstration Project.

USFWS—Klamath River Fishery Restoration Program

The Klamath River is the second largest river system in California. Like the Trinity River, its largest tributary, the Klamath River fishery populations have undergone drastic reductions during the past few decades. In recognition of the significance of the Klamath River fishery stocks to the Pacific Westcoast economies, in the

mid-1980's, government agencies and fishery interests initiated an historic negotiation process for allocated of the Klamath River fishery resources among the fishery interests and spawning escapement needs. The negotiations resulted in the development of an allocation agreement which establish many of the management principles that are still utilized today. In 1987, Congress formally enacted the Klamath River Fishery Management Council, Task Force and Fishery Restoration Program (Program). The U.S. Fish and Wildlife Service (USFWS) was designated as the agency responsible for its implementation. However, the USFWS has only funded the Program at an amount of $1 million annually, which is distributed between administrative and restoration activities. The amount of annual funds appropriated for the Program has clearly been determined to be inadequate to achieve even the most minimal fishery restoration efforts.

The Tribe supports an increase of $2.5 million for the Klamath River Fishery Restoration Program, and an additional $1.5 million for the Yurok and Karuk Tribes and USFWS for administration and fulfillment of the Federal Government trust responsibilities to the Klamath and Trinity River Indian tribes.

USFWS—Proposed Pacific Southwest Regional Office.—The Tribe has become aware of the proposal to create the Pacific Southwest Regional Office in Sacramento, California. While we understand the rationale for a Pacific Southwest Office for central and southern California and Nevada issues, we do not support the transfer of Klamath and Trinity River issues to this office. The Klamath and Trinity Rivers have a distinctive relationship with the timber, fisheries and water issues of the Pacific Northwest. Additionally, the proposed use of the California border as the northerly jurisdictional boundary for the Pacific Southwest Regional Office will severely handicap the managers of the Klamath and Trinity Rivers by eliminating the "basin-wide" comprehensive management programs that we have worked for decades to establish.

The USFWS has made not efforts to consult with the Klamath and Trinity River tribes to determine how the Pacific Southwest Regional Office will impact our water and fishery management efforts. We are very concerned that the transfer of Klamath and Trinity River issues to the proposed Pacific Southwest Regional Office will set back management efforts on the Klamath and Trinity Rivers by several years. Therefore, we request that the USFWS be directed to work with the Klamath and Trinity River Indian tribes and address our concerns prior to moving forward with the proposed transfer of Klamath and Trinity River issues to the proposed Pacific Southwest Regional Office.

I would be happy to respond to any questions that you may have.

PREPARED STATEMENT OF THE HOOPA VALLEY TRIBE, JAMESTOWN S'KLALLAM TRIBE, LUMMI INDIAN NATION, MILLE LACS BAND OF OJIBWE INDIANS, QUINAULT INDIAN NATION, AND SAC AND FOX NATION

On behalf of the Hoopa Valley Tribe, Jamestown S'Klallam Tribe, Lummi Indian Nation, Mille Lacs Band of Ojibwe Indians, Quinault Indian Nation and Sac and Fox Nation, we appreciate the opportunity to submit the following testimony on the Bureau of Indian Affairs and Indian Health Service fiscal year 1999 Budgets:

Summary of testimony

Provide full funding for IHS and BIA Contract Support Costs (CSC) to address documented Tribal needs and current shortfalls;

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services;

Provide $900,000 to DOI Office of Self-Governance (OSG) for planning and negotiation grants; and, $500,000 respectively to the DOI and IHS Self-Governance offices for additional FTE's and operations expenses for field offices as appropriate;

Provide $150,000 for DOI and $150,000 for IHS to maintain the Self-Governance Communication and Education Project;

Transfer budget authority to IHS Office of Self-Governance (OTSG) for approval and payments to Self-Governance Tribes;

Provide no less than $23,000,000 for BIA Tribal Priority Allocation (TPA) General Increase for inflationary costs and $1.5 million for the Joint BIA/Tribal Working Group on TPA Methodology;

Support for BIA and IHS Tribal Self-Governance Stable Recurring Base Budgets;

Provide funding necessary to support the restructuring of IHS as an Agency of the Department and to elevate the IHS Director to Assistant Secretary;

Oppose funding transfer of BIA Operations and Maintenance to the BIA's Facilities Management and Construction Center (FMCC) in Albuquerque, NM; and,

Support the funding transfer of IHS Facilities Improvements and Maintenance from Seattle/Houston to IHS Area Offices.

Narrative for self-governance considerations

Provide full funding for IHS and BIA Contract Support Costs (CSC) to address documented Tribal needs and current shortfalls.—Despite the fact that contract support has been one of the very highest Tribal priorities nationally, the Administration's budget fails to include adequate funding for CSC. Current CSC shortfalls are estimated at $25 million in BIA and $137 million in unfunded CSC for fiscal year 1999, alone.

The Self-Determination Policy has been effective in ending federal domination of Indian communities and transferring governing responsibilities and resources to local Tribal governments. CSC is an important part of the federal resources transferred to Tribes under self-determination and self-governance and supports vital and increased managerial and administration functions essential to any government or business.

Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress within the Indian Self-Determination and Education Assistance Act. Tribal interest in self-determination contracting and self-governance compacting has escalated substantially since 1988, when the CSC funding provisions were included in the Act. Based on an updated analysis on "Determining the True Cost of Contracting Federal Programs for Indian Tribes" published in May 1997, findings support that Tribal indirect cost rates have not increased significantly and are not the major cause of CSC increases. The increases in CSC requirements are directly related and reflective of this increase in new contracts/compacts. Absent adequate CSC funds, there is little incentive for Tribal governments to assume programs and services from the BIA or IHS if it means immediately reducing services or being forced to use limited Tribal funds.

As a secondary issue, we believe that for those Tribes that are interested in negotiating and agreeing to a fixed contract support amount, the BIA and IHS should support that Tribe's request. Obviously, the inability to adequately predict in advance the amount of contract support funds that are needed is the primary reason for deficits in the contract support cost budgets. Therefore, it would be a major step toward resolving this problem and toward achieving the Committee's goal of addressing contract support funding shortfalls if stable contract support agreements were to be agreed to between the BIA, IHS and Tribes. Unfortunately, even though some of our Tribes have developed fixed amount contract support agreements with either the BIA or IHS, there has been some indication that some Federal officials may be attempting to nullify these agreements and force Tribes back into the deficit budget situation. We firmly stand behind our negotiated agreements and expect the BIA and IHS to do the same.

It was a difficult and controversial process to obtain these agreements in the first place. It would be unfortunate if a short-sighted agenda of some Federal officials was allowed to undermine the few contract support success stories that has been achieved between Tribes and Federal agencies. Therefore, we request that the Committee provide language that protects the fixed-amount contract support agreements that presently exists between Indian Tribes and the BIA or IHS and encourage the agencies to enter into similar agreements with other Tribes.

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services.—Mandatory costs should be the first consideration in the budget formulation process. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently construction facilities. IHS and Tribal programs have been forced to absorb these costs over the past seven years. In an analysis conducted by the Northwest Portland Area Indian Health Board, the compounding affect of multi-year funding shortfalls from (fiscal year 1993-fiscal year 1999) have resulted in $1.2 billion in real resources lost. These costs increases will result in further service reductions in health care if not addressed.

Provide $900,000 to DOI Office of Self-Governance (OSG) for planning and negotiation grants; and, $500,000 to DOI and IHS Self-Governance offices for additional FTE's and operations expenses for field offices as appropriate.—Both DOI and IHS have experienced significant growth in tribes choosing to participate in Self-Governance. The offices provide a critical role for the annual negotiation of funding as well as the ongoing demonstration and implementation efforts by Tribes. For BIA, 206 Tribes are now participating in Self-Governance and for IHS, 239 Tribes. Funding is needed to support the expanding responsibilities of these offices. In addition, the fiscal year 1999 DOI budget does not provide for planning or negotiation grants

which are essential to Tribes' preliminary and intermediate planning and actual negotiation requirements for Self-Governance.

Provide $150,000 for DOI and $150,000 for IHS to maintain the Self-Governance Communication and Education Project.—This project provides essential educational and information sharing opportunities for all Tribes participating in Self-Governance, Self-Governance Planning Grants, Negotiation Grants, as well as for Tribes who choose not to participate in Self-Governance. Funding supports communications and information exchange between the Tribes, BIA and IHS, provides coordination and logistical support for BIA and IHS workshops, training for federal and tribal employees, and specific federal and Tribal requests for information. The Project has played a major role in providing for greater acceptance and understanding of Self-Governance among Tribes and Federal agencies. We ask that the Committee provide language that acknowledges the need to continue funding this project at these levels for fiscal year 1999.

Transfer budget authority to IHS Office of Self-Governance (OTSG) for approval and payments to Self-Governance Tribes.—We request for the transfer of funding authority to the IHS Office of Tribal Self-Governance for approval and payments processes to effect a more efficient distribution of funding to Self-Governance Tribes. Under the present financial system of IHS, there are nine steps for approval, eight steps for apportionment for payment, and eighteen steps to amend and existing Annual Funding Agreement (AFA). Such an expensive and time consuming bureaucratic system is not warranted when other streamlining methods can be implemented. The Office of Tribal Self-Governance (OTSG) should be provided full authority for distribution of all funds provided by IHS, including grants made under authority of the Balanced Budget Act, that are made a part of and funded through the AFA to participating Title III Tribes. We ask the Committee to consider language which supports the transfer of authority to OTSG.

Provide no less than $23,000,000 for BIA Tribal Priority Allocation (TPA) General Increase for inflationary costs and $1.5 million for the Joint BIA/Tribal Working Group on TPA Methodology.—Although the Administration's budget request for fiscal year 1999 includes a $34 million increase over fiscal year 1998, the request does not include costs for a general increase for TPA. The majority of Tribal services are provided under TPA which fund a variety of social, welfare, housing, education, economic development, law enforcement and natural resource management, along with essential tribal governmental services. TPA also provides Tribes the flexibility to prioritize their funding to meet their individual goals and objectives within each respective Indian community. In 1994, the Joint Tribal/BIA/DOI Task Force recommended TPA inflationary adjustments as a first priority. At a minimum, the requested amount of $23 million will provide for a 3 percent inflation adjustment for existing Tribal programs and services. The increase is a small step in the direction of providing adequate funding for critically needed Tribal programs. While there have been small increases since TPA was drastically cut in fiscal year 1996, it has yet to be restored to the fiscal year 1995 level. Additionally, we are supportive of the establishment of a Joint BIA/Tribal Working Group in its efforts to address funding inequities, unmet Tribal needs and funding shortfall.

Support for BIA and IHS Tribal Self-Governance Stable Recurring Base Budgets.—A major goal of the Self-Governance initiative is to achieve stable base budgets for Tribes in order to maintain effective and efficient Tribal governments. Tribal stable base budgets should also include a proportional share of the Congressionally approved inflationary and other adjustments to the BIA and IHS budgets. We are concerned that Federal downsizing efforts of both the BIA and IHS may result in attempts by these agencies to use inflationary and other adjustments approved by Congress as a means of protecting their internal operations by redirecting these funds away from Tribal contracts and compacts.

Stable base budgets are one of the primary methods for Indian Tribes to achieve economic self-sufficiency and maintain professional staffs. It is important that the Congress send a clear message that both the BIA and the IHS that one of their primary goals the priority to provide Tribes with stable budgets upon which we can build strong governmental structures. Therefore, we request that the Committee include language in the BIA and the IHS budgets supporting the establishment of Tribal stable based budget and to prohibit the BIA and IHS from attempting to use Congressionally-approved inflationary and other adjustment for their own internal purposes.

Provide funding necessary to support the restructuring of IHS as an Agency of the Department and to elevate the IHS Director to Assistant Secretary.—Indian health is under represented within the Department of Health and Human Services. The Indian Health Service should be established as an Agency of the Department and the Director, IHS should be elevated to Assistant Secretary in order to provide par-

ity for Indian health needs at the Department level. The fiscal year 1999 IHS Budget clearly indicates that Indian health concerns have received low priority in comparison to all other areas of the Department's budget. In fiscal year 1998, the Secretary implemented a Tribal consultation policy. The IHS Director fulfilled this policy by fully involving Tribes in a consultative process regarding the fiscal year 1999 Budget. However, the Director's and Tribes' health priorities were ignored at the Departmental level. As a result, critical health needs were reduced to fund Departmental initiatives that were not identified as a priority by the Indian Health Service, Tribal Self-Governance Advisory Committee or the National Indian Health Board. Such representation is vital to ensuring appropriate Indian health advocacy among senior officials of the Department.

Oppose funding transfer of BIA Operations and Maintenance to the BIA's Facilities Management and Construction Center (FMCC) in Albuquerque, N.M.—The BIA proposes to transfer funding for Operations and Maintenance line item to the Facilities Management and Construction Center (FMCC) in Albuquerque, New Mexico. This effort does not diminish the bureaucracy, but simply transfers it to another location. Funding should be transferred to the Area offices for a more equitable distribution for all of the federal and tribal facilities maintained by BIA and compacting/contracting Tribes.

Support the funding transfer of IHS Facilities Improvements and Maintenance from Seattle/Houston to IHS Area Offices.—Presently, IHS maintains an office in Seattle, Washington, and Dallas, Texas, to provide engineering support for IHS facilities. IHS proposes to transfer these functions and funding to Area offices. We support this initiative.

In closing, we ask the Committee to give full consideration to our requests. The six Tribes represented in this written testimony have committed countless hours to promoting and enhancing the Tribal Self-Governance initiative since its inception in 1988 because we believe in Self-Governance and Self-Determination for Indian Tribes. We seek your continued support for our efforts as well as the additional efforts put forth by many other Tribal governments that have embraced the principles and philosophy of Self-Governance and its importance towards the sustainment of Tribal governmental authorities and responsibilities.

Thank you.

PREPARED STATEMENT OF W. RON ALLEN, TRIBAL CHAIRMAN AND EXECUTIVE DIRECTOR, JAMESTOWN S'KLALLAM TRIBE

Mr. Chairman, on behalf of the Jamestown S'Klallam Tribe, I thank you for the opportunity to express our concerns and requests regarding the fiscal year 1999 Bureau of Indian Affairs and Indian Health Service 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.

Tribal-Specific Appropriation Priorities

$165,000 increase in BIA Tribal Priority Allocation (TPA) plus full funding of related contract support costs for restoration of the Jamestown S'Klallam Tribe BIA Self-Governance base budget (total of $1,828,000);

$45,000 increase in IHS Services appropriations plus full funding of related contract support costs for the Jamestown S'Klallam Tribe IHS Self-Governance base budget (total of $920,000); and,

$600,000 one-time funding for the purchase of land adjacent to our existing reservation.

Regional Requests and Recommendations

Support request of $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission for Tribal Shellfish Management, Enhancement and Enforcement funding to implement Tribal treaty rights through the establishment of base shellfish operations;

Support technical correction of $185,000 for BIA Western Washington-Boldt Implementation and U.S./Canada Pacific Salmon Treaty funding shortfall;

Support BIA request of $3,000,000 for continued implementation of the President's Northwest Forest Development Plan, "Job in the Woods" Initiative and the

designation of $400,000 for the Tribal-State of Washington Wild Stock Restoration Initiative;

Support BIA request of $1,000,000 for Forest Development, Endangered Species Act initiative; 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 Considerations

Provide $900,000 increase to the DOI Office of Self-Governance for planning and negotiation grants and $500,000 to both DOI and IHS Self-Governance offices for additional FTE's for Field Offices as appropriate;

Transfer budget authority to the IHS Office of Tribal Self-Governance for approval and payments to Self-Governance Tribes;

Provide $150,000 from BIA and $150,000 from IHS for Self-Governance Communication and Education Project;

Provide increase for BIA and IHS Contract Support Cost (CSC) funds to address documented Tribal needs;

Provide a minimum of $23,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment and $1.5 million for the Joint BIA/Tribal Working Group on TPA Methodology; and,

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services.

Tribal-Specific Appropriation Priorities

Increase In BIA—TPA For Jamestown S'Klallam Self-Governance Base +$165,000

We are now in our eighth year of BIA Self-Governance implementation and have successfully demonstrated that the concept of re-directing resources based on local priorities and needs has resulted in more effective use of those resources. At the Tribal level, these measurable improvements include recorded increase in services to Tribal members for education, housing, social and cultural resources and are consistent with the Government Performance and Results Act (GPRA) objectives which focus on program outcomes and budget justification. As a result of Self-Governance, the Tribe re-prioritized funding to expand economic development and address natural resources priorities. Additionally, we have established our own Tribal Policies and Procedures for implementation of the Welfare Assistance and Housing Improvement programs.

The flexibilities afforded under Self-Governance and the establishment of a formal Tribal budget process have allowed us to re-prioritize and re-address our program needs and priorities. However, since initiation of our first Self-Governance funding agreement in 1990, limited or no general increases to TPA funds have been added to our Tribal base. In fact—in fiscal year 1996, TPA was drastically cut and critical programs and services were severely impacted at the Tribal level. Further, in fiscal year 1998, our proposed TPA general increase negotiated by the Tribe was reduced by 67 percent ($73,000) as a result of the final report and recommendations of the Federal/Tribal TPA Task Force which was formed to address and develop recommendations for a revised TPA distribution methodology. These reductions have severely impacted our existing Tribal programs such as housing, social and cultural services, education and other key governmental operations which undermine the successes we have achieved to date through this historic initiative.

Funding levels to TPA have yet to be restored to the fiscal year 1995 level. The small increases to TPA over the past several years have not been adequate to keep pace with inflation, pay costs and increases for population growth. The failure of the Administration to include a general increase in overall TPA for fiscal year 1999, continues to hinder our governments' ability to provide for the essential needs of our Tribal communities. While we are supportive of the efforts that are underway to address funding inequities, unmet Tribal needs and funding shortfall; protection of existing Tribal base budgets and adjustments for inflation are essential to preserve the purchasing power of overall funding base amount and must remain a priority to promote strong and stable Tribal governments.

The Jamestown S'Klallam Tribe requests the Subcommittee to direct the BIA to increase our Self-Governance base budget to restore funding levels to no less than the fiscal year 1995 enacted amounts. The base amount for our Tribe includes an increase of $165,000 in TPA-Self-Governance to our Annual Funding Agreement (AFA) amounts (including associated increase in contract support costs) as originally negotiated prior to the adjustment for actual Congressional reductions. Since 1993, we have negotiated a lump sum amount for contract support costs. However, this

lump sum amount has only been partially funded each year. The inclusion of a negotiated lump sum amount for contract support costs establishes a base amount for indirect costs associated with those programs included in our AFA and provides protection and stability for these funds. Our total base amount of $1,828,000 includes full funding of contract support costs ($628,000) and represents the level of funding needed to maintain our base for future stability.

Increase In IHS Services For Jamestown S'Klallam Self-Governance Base +$45,000

We are now in our fifth year of implementation of Self-Governance with the Indian Health Service. During that time, we have negotiated for a majority of the IHS programs and services and have re-designed our Tribal health services into a comprehensive Tribal managed care program. As a small Tribe managing a new and innovative program, it is critical that we maintain stable base funding levels to ensure successful implementation of our managed care program and to provide critical health care services to our members.

In fiscal year 1996, the Jamestown S'Klallam Tribe was one of only two Self-Governance Tribes selected by the IHS to participate in a 3-year "pilot project" allowing for the establishment of base funding under Self-Governance. In fiscal year 1998, we successfully re-confirmed our Annual Funding Agreement negotiations with the IHS on the amounts, terms, and conditions for our Tribal base funding under this pilot project. While the terms of our Tribal base amounts allow for us to share equally in any inflationary cost increases and other mandatories, the fiscal year 1999 IHS Services Appropriations budget request by the Administration again fails to include adequate funding for mandatories and inflation costs needed to maintain existing health services. For fiscal year 1999, a total of $120 million is estimated in "unfunded" mandatory costs.

The Tribe requests the Subcommittee to direct IHS to restore mandatories in order to address the rising cost of providing health care services and to increase our Self-Governance base budget by $45,000 to provide for adequate medical and general inflationary costs needed to maintain our current Tribal health program. Consistent with GPRA goals and objectives, we are currently in the process of developing a 5-year plan for our Tribal Managed Care program including financial projections and recommendations for improvements which are results-oriented. Inflation is a real factor which negatively impacts our Tribal budgets and service delivery capabilities. Based on our analysis, inadequate IHS funding for mandatory costs will force the Tribe to reduce benefits and/or limit eligibility for health services.

We are greatly alarmed regarding the failure of the Administration to provide for additional funding for CSC in the IHS budget. The total CSC shortfall for IHS is estimated at $137 million. This amount includes shortfall for existing Tribal contracts and compacts. While the Administration says that it is committed to the policy of Tribal self-determination and self-governance, it's failure to provide any increase for CSC essentially halts further progress or opportunity for Tribes to assume and manage these programs. Our requested increase and total base amount represents the level of funding needed to maintain existing programs and services and includes full funding of contract support.

Establishment of Tribal Land Base +$600,000

For the past 7 years, the Tribe has requested the Subcommittee's assistance in securing additional land to add to our existing reservation. This request has yet to be funded 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 for 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 to increase on 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 ten (10) acre site still remains available for purchase at approximately $600,000. This land acquisition would allow us to expand our 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. Any further development of the current Tribal facilities to meet expansion needs would be both environmentally and practically unsound. Based on some projections provided us by a local consultant, it will cost approximately $3,000,000 to construct the facilities that will

be needed for the foreseeable future, given our rate of growth since our Federal restoration. The Tribe is confident it can obtain the resources to develop the facilities on the proposed site from a combination of sources; i.e. donations, seeking philanthropic support, and Tribal business revenues. 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 tract and a third party purchases and develops the land, 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 exists. The seller's price has sharply increased since 1985 due to the attractive conditions of our area and population growth. The Tribe needs to act quickly to secure this opportunity before it is lost to development or realty investment speculation.

Regional Requests and Recommendations

Support request of additional $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission (NWIFC) for Tribal shellfish harvest management, enforcement and enhancement to implement Tribal treaty rights through the establishment of base shellfish operations. This amount will help Tribes prepare for future shellfish enhancement and harvest activities as well as implement established Tribal/state agreements and other future cooperative management considerations requiring additional tribal shellfish management capabilities.

Support for technical correction of $185,000 for BIA Western Washington-Boldt Implementation and U.S./Canada Pacific Salmon Treaty funding to levels consistent with the previously identified levels as directed by Subcommittee. During this past fiscal year, the BIA and the Office of Self-Governance failed to fully restore these funds when these were re-programmed from the TPA line. This error is a direct loss of funding to the NWIFC.

Support for BIA request of $3,000,000 for continued implementation of the President's Northwest Forest Development Plan, "Job in the Woods" Initiative and designation of $400,000 for the Tribal-State of Washington Wild Stock Restoration Initiative. We request that the Subcommittee continue to provide $400,000 for the Washington Wild Stock Restoration. The remaining $2.6 million from this initiative will allow Tribes to conduct watershed analysis and watershed restoration within their usual and accustomed areas.

Support for BIA Resources Management request of $1,000,000 for Endangered Species Act initiative. The ESA process has resulted in significant changes to harvest, hatchery and habitat practices and has placed new obligations upon us. This amount will be used to enhance Northwest Tribal capacity to respond and meet these ESA process obligations.

The Jamestown S'Klallam Tribes 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 Considerations

Provide $900,000 increase to the DOI Office of Self-Governance for planning and negotiation grants and $500,000 respectively to both DOI and IHS Self-Governance offices for additional FTE's for Field Offices as appropriate. The DOI and IHS Self-Governance offices are responsible for the facilitation of the annual negotiation process and implementation of the Self-Governance initiative within each of their respective Departments. In fiscal year 1998, a total of $182 million in funding has been obligated and transferred from the BIA to 206 Tribes and $423 million in funding has been transferred from IHS to 239 Tribal governments under Self-Governance. This funding is essential for the management and administrative staff to facilitate this increase and handle the addition in existing work load.

Transfer budget authority to the IHS Office of Tribal Self-Governance for implementation of approval, payment and award of all Self-Governance funding to participating Tribes. The current system for payment and approval of Self-Governance funds to participating Tribes is unnecessarily bureaucratic, expensive and time-consuming. We, therefore, request the Subcommittee to consider language in the appropriations bill which would direct the IHS to identify and report to Congress the total funding for Self-Governance Tribes and to transfer such funding to the Office of Tribal Self-Governance, with this Office being hereby granted full authority of distribution of all funds provided by the IHS that are funded through Self-Governance funding agreements.

Provide $300,000 as a base funding amount for the Self-Governance Communication and Education Project. The purpose of this Project has been to provide technical

assistance and factual information about Self-Governance. The Project 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.

Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need. Despite the fact that contract support has been one of the very highest Tribal priorities nationally, the Administration's budget fails to include adequate funding for CSC. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. Absent adequate CSC funds, there is little incentive for Tribal governments to assume programs and services from the BIA or IHS if it means immediately reducing services or being forced to use limited Tribal funds.

Provide a minimum of $23,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments and $1.5 million for the Joint BIA/Tribal Working Group on TPA Methodology. Although the Administration's budget request for fiscal year 1999 includes a $34 million increase over fiscal year 1998, 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 resources management and Tribal government services. At a minimum, the requested amount will provide for a modest 3 percent inflation adjustment for existing Tribal programs and services.

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. IHS and Tribal programs have been forced to absorb these costs over the past 7 years. In an analysis conducted by the Northwest Portland Area Indian Health Board, the compounding effect of multi-year funding shortfalls from (fiscal year 1993-fiscal year 1999) have resulted in $1.2 billion in real resources lost. If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

In conclusion, we strongly recommend increased funding levels within the BIA and IHS budgets for critically-needed existing programs. It is truly unconscionable and outrageous for Tribal governments who have struggled to secure decent housing, health care, and other programs for its people to suffer further reductions in funding. 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 Subcommittee's continued support and urge that Tribal government operations be afforded the highest priority in your appropriation decisions.

PREPARED STATEMENT OF HON. BENNIE J. ARMSTRONG, TRIBAL CHAIRMAN, SUQUAMISH TRIBE

Mr. Chairman, Members of the Committee, my name is Bennie J. Armstrong, and I am the appointed Chairman of the Squamish Indian Tribe. As an appointee of only seven weeks, but a past elected Chairman of the Tribe, I am honored to present oral testimony before you today. And, if I do a good job, maybe next year I will be back to present, once again, as the elected Leader of my Tribe.

Tribal priority requests

$200,000 for higher and adult education added to the Tribal Priority Allocation Account;

$150,000 increase for Tribal Courts added to BIA/TPA Tribal Courts account; and,

$1.8 million for the Suquamish Tribe to reacquire our ancestral home at "D'SUQ'WUB" (place of clear salt water) added to the BIA Non-recurring programs, Wildlife and Parks, Tribal/Agency Budget.

Regional priority requests

$185,000 Washington-Boldt Pacific Salmon Implementation and Pacific Salmon Treaty Funding shortfall;

$1.95 million for Boldt case Tribes funding of shellfish operations and maintenance of shellfish hatcheries;

$1 million for BIA resource management—Endangered Species Act Initiative; and,

$3.1 million for Tribal Ecosystems management initiative to establish a cooperative and coordinated monitoring and evaluation program.

National priority requests

Provide full funding for IHS and BIA Contract Support Costs (CSC) to address documented Tribal needs and current shortfalls;

Provide $800 million to support School Facilities Construction; $4 million for Adult Education, $54 million for Johnson O'Malley; and, an estimated $348 million to improve the quality of education for BIA funded schools;

Provide $58.4 million for BIA Public Safety and Justice programs;

Provide no less than $23,000,000 for BIA Tribal Priority Allocation (TPA) General Increase for inflationary costs;

Provide $10 million for BIA Cultural and Historical Preservation programs;

Transfer budget authority to IHS Office of Self-Governance (OTSG) for approval and payments to Self-Governance Tribes;

Provide $150,000 for DOI and $150,000 for IHS to maintain the Self-Governance Communication and Education Project; and,

Elevate the Director of IHS within HHS to an Assistant Secretary Level.

The Suquamish Tribe is one of two Indian Reservations located in Puget Sound, Northeastern Kitsap County, Washington. Established by the Treaty of Point Elliott on January 22, 1855, the Suquamish Tribe is situated on a large peninsula extending into Puget Sound that has been affirmed by a Supreme Court ruling as "Indian Country".

Tribal priorities

$200,000: Higher and Adult Education added to the Tribal Priority Allocation Account.—Requests by Suquamish tribal members for education services of all types and employment counseling and services has dramatically increased. In response, the Tribe has provided additional services in a variety of areas. First, by providing daily transportation of high risk students to a local alternative high school. Second, by working with Northwest Indian College to provide an on reservation GED program which has served over 45 community residents this year. Third, by renovating old tribal and donated computers and making them available to tribal member students. Fourth, by increasing the tribal higher education budget by 200 percent from 1995 to 1997.

Assistance in the work and training area has doubled in the past year from eight trainees in 1997 to a projected sixteen or more in 1998. In addition, the Tribe has provided training to 18 tribal members to become divers to harvest shellfish. One tribal member was trained to be an underwater welder and was immediately employed. In fact, the current tribal coordinator for these programs started as a trainee in the fall of 1996 and has progressed to the point of being able to capably administer these programs. Funding from the BIA will train only one or two individuals per year. More funds are needed to fulfill requests from tribal members with employment training goals.

Higher education is of great concern to the Suquamish Tribal Council. The number of students requesting higher education assistance has nearly doubled in the past 18 months. In the Fall of 1996 there were 16 students receiving assistance. In the Fall of 1997, 31 students received assistance. It is anticipated that between 35 and 45 students will request assistance in the fall of 1998. The BIA higher education funding is sufficient to provide an average of $1,113 per year per student based upon 31 students attending college. Obviously, this is a totally inadequate amount for any student. Need is considered and averages over $5,000 per student. To meet the projected need in fiscal year 1999 would require at least $175,000 in additional funds. The Tribe has increased the amount of tribal funds going into higher education from $20,000 in 1996 to over $60,000 in 1997. Together with the BIA funding, the amount available per student is approximately $3,050; well short of the average need of $5,000 per student. The Tribe does not have the resources to increase higher education funding beyond the $60,000 level from tribal funds.

The Tribe will continue to support all education programs but additional funds are needed to meet the needs of tribal members for GED, higher education and job training services.

$150,000: Tribal Courts to BIA/TPA Account.—The Suquamish Tribal Council has faced substantial increased costs in operation of both the Tribal Court and Tribal Police Services. In addition, the Tribe and Kitsap County have been working cooperatively on a number of issues and have established a working relationship to assist one another in a variety of law enforcement activities. For example, the Juvenile Departments of the County and Tribe are working closely together in diversion and probation activities for Indian youth and adults. The Tribal Diversion/Probation Officer is now supervising County referred offenders.

Another area of cooperation is in general law enforcement. County and Tribal Officers assist each other in responding to a wide variety of incidents. Jurisdiction of the County and Tribe on the Port Madison Reservation, is very intricate and cooperation between the law enforcement agencies is critical. In January of 1998, the

Suquamish Tribe hosted an historic government-to-government summit with Kitsap County elected officials and law enforcement personnel.

There has been an increase in arrests and incidents reported by the Tribal Police which has resulted in a substantial increase in the Tribal Court caseload. Tribal Court cases increased from 150 in 1996 to 315 in 1997, or an increase of 110 percent in one year. Police calls on the Suquamish Reservation for non-traffic offenses increased 21 percent from 1996 to 1997 at a time when the rate of increase in Kitsap County was 3.5 percent. Many of these calls involved non-native residents of the reservation. Cooperation with the County Sheriff is critical to effective law enforcement on the reservation because of the complicated trust land ownership pattern and consequent jurisdiction issues following therefrom.

Costs of providing law enforcement services has increased considerably, doubling in the past five years. The Tribe has had to increase salary of officers to retain properly trained commissioned officers. The standards for officers hired by the Tribe is on a par with the Kitsap County Sheriff's Office. All officers are academy trained. Tribal officers are trained to know not only tribal laws, but also Federal, State and County laws. Joint training with the County is occurring as are meetings between supervisory staff and legal staff to ensure a good working relationship.

Of great concern to the Tribe are incarceration costs. These costs have increased from a few thousand dollars per year to over $50,000 annually. It is anticipated these costs will continue to increase and the Tribe is considering building a jail since the nearest facility available to take prisoners is over 65 miles away in Puyallup Reservation. Just transporting a prisoner to jail takes nearly one whole shift for an officer.

The Suquamish Tribe has found itself in a position of having to take desperately needed tribal funds to support the Public Safety and Tribal Court budgets. The funds received from the BIA are no longer adequate to provide the minimum services needed to ensure community safety.

$1.8 Million: Reacquire Ancestral Home "D'SUB'WUB" added to BIA Wildlife and Parks, Tribes/Agency Budget.—Sometime between the years 1866 (the year Chief Sealth passed away) and 1872 under orders from the government, William DeShaw, agent in charge of the Port Madison Indian Reservation, moved the remaining families out of Old Man House and then to ensure no further inhabitancy, dismantled and burned it. But since this site was unalloted lands some tribal members built small homes on the site and continued to live here until 1904 when the U.S. War Department purchased the site for a fort to guard the watery entrance to Port Orchard Bay, where the new Bremerton Navy Yard was located. Many of the members opposed the sale, but the Army pressured the Indians to sign, claiming that if the property was not used for military purposes, it would be returned to the Tribe. On May 28, 1904, an agreement was signed by the adult members of the Tribe, D'Suq'Wub was vacated, and the Suquamish Tribe never returned.

We are requesting $700,000 in 1999 to fund the purchase of two lots, that along with the state park make up the former site of Old Man House, and $400,000 in 2000 to conduct an archaeological dig on this site that was home to the Suquamish Tribe for Two Thousand Years. and $700,000 in 2001 to construct a smaller replica of Old Man House to be used as a interpretive center for the Tribal Members and the general public, and as a gathering place for the tribe to relearn about their culture and traditional ways of life.

Regional requests

Provide $185,000 for a technical correction of the Western Washington-Boldt Implementation and Pacific Salmon Treaty Funding shortfall. In fiscal year 1998, the BIA and OSG failed to restore $185,000 to the Northwest Indian Fisheries Commission (NWIFC) as a result of reprogramming trust resources to the TPA line item. The NWIFC must be able to recoup the funds to perform ongoing trust resources on behalf of Tribes for the Western Washington-Boldt case and U.S./Canada Pacific Salmon Treaty.

Support request of $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission 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 provide basic infrastructure for each tribe of $97,500. This would cover only the basic level of management and enforcement needs.

Support for $1 million BIA, Resources Management, Endangered Species initiative. As Tribes that are potentially impacted by the proposed listing of pacific salmon under the terms of ESA, funds are needed for biological review, listing decisions,

conferencing, consultation and recovery planning to prepare for the changes in harvest, hatchery and habitat practices in response to the ESA process.

Support for $3.1 million for the Northwest Tribal Ecosystem Management initiative. This amount is needed to support the coordination and cooperative monitoring effort by the Tribal co-managers for the protection and restoration of salmon populations, consistent with ESA, Clean Water Act, Natural Resource Conservation Service's obligation for salmon recovery, and the Forest Service obligations under the Northwest Forest Plan.

National requests

Provide full funding for IHS and BIA Contract Support Costs (CSC) to address documented Tribal needs and current shortfalls. Contract support continues to be a concern. The BIA still does not do an adequate job of identifying the need for inclusion in the Administration Budget. These funds are vital to Tribes to enable us to continue to maintain our core government functions. We request that the Committee require a report from the BIA which fully identifies the need, and recognize the Intent of the Self-Determination Act and fully fund Contract support.

Provide $800 million to support School Facilities Construction; $4 million for Adult Education, $54 million for Johnson O'Malley; and, an estimated $348 million to improve the quality of education for BIA funded schools. While we support the Administration's significant investment of $86.6 million for school construction for BIA, even with the proposed increase, there is an estimated need of more than $800 million in BIA school facilities and repair. For Adult Education, funding levels continue to be extremely low and is considered the most poorly funded of all Indian education programs. Since DOE has eliminated Adult Education, BIA must be funded at $4 million. For Johnson O'Malley, we support the proposed increase in the fiscal year 1999 budget, however, the true need is $54 million and is especially critical since there continues to be an annual increase in the number of eligible Indian students attending public schools. The Indian Student Equalization Program (ISEP) is far below the national average per pupil expenditure of $7,371 for academic instruction in School Year 1998–99. $348 million is required to provide quality education to Indian students on an even par basis with the national population.

Provide $58.4 million for BIA Public Safety and Justice programs. To date, no funds have been appropriated by Congress in support of the Indian Tribal Justice Act (Public Law 103–176) for enhancement and improvement of tribal judicial systems. For fiscal year 1999, $11.2 million is requested for tribal courts in BIA and $10 million for the Department of Justice. However, these amounts are not in keeping with the $54 million authorized under the law.

Provide no less than $23,000,000 for BIA Tribal Priority Allocation (TPA) General Increase for inflationary costs. It is extremely important that we, at least, keep pace with inflation. Even with this request, tribes are left underfunded when compared to other jurisdictions. Although the Administration's budget request for fiscal year 1999 includes a $34 million increase over fiscal year 1998, the request does not include costs for a general increase for TPA. The majority of Tribal services are provided under TPA which fund a variety of social, welfare, housing, education, economic development, law enforcement and natural resource management, along with essential tribal governmental services. TPA also provides Tribes the flexibility to prioritize their funding to meet their individual goals and objectives within each respective Indian community. In 1994, the Joint Tribal/BIA/DOI Task Force recommended TPA inflationary adjustments as a first priority. At a minimum, the requested amount of $23 million will provide for a 3 percent inflation adjustment for existing Tribal programs and services.

Provide $10 million for BIA Cultural and Historical Preservation programs. The Native American Graves Protection and Repatriation Act (Public Law 101–601), was to ensure Native American human remains and sacred objected retained by federal, state, and local governments, universities, and the museum community are returned to the appropriate tribes and/or descendants. The law also provided for protection of burial sites on tribal and federal lands. Despite a continual tribal request of $10 million from fiscal year 1993-fiscal year 1998, Congress has appropriated only $2.6 million to date. The National Historic Preservation Act (Public Law 89–665) is another law tribes rely on for the protection of cultural and historic resources. Under the 1992 Amendments, Tribes could assume the responsibilities of State Historic Preservation Offices. The Administration has requested $3 million, however additional funding and resources are necessary to protect and preserve Tribal culture.

Transfer budget authority to IHS Office of Self-Governance (OTSG) for approval and payments to Self-Governance Tribes. We request the transfer of funding authority to the IHS Office of Tribal Self-Governance for approval and payments processes to effect a more efficient distribution of funding to Self-Governance Tribes. Under

the present financial system of IHS, there are nine steps for approval, eight steps for apportionment for payment, and eighteen steps to amend and existing Annual Funding Agreement (AFA). Such an expensive and time consuming bureaucratic system is not warranted when other streamlining methods can be implemented. The Office of Tribal Self-Governance (OTSG) should be provided full authority for distribution of all funds provided by IHS, including grants made under authority of the Balanced Budget Act, that are made a part of and funded through the AFA to participating Title III Tribes. We ask the Committee to consider language which supports the transfer of authority to OTSG.

Provide $150,000 for DOI and $150,000 for IHS to maintain the Self-Governance Communication and Education Project. We support the continued funding of the Self-Governance Communication and Education Project. This project has been a valuable tool for promoting the utilization of the Self-Governance model which has provided meaningful improvements in Indian country without building or maintaining bureaucracies.

Provide funding necessary to support the restructuring of IHS as an Agency of the Department and to elevate the IHS Director to Assistant Secretary. Indian health is under represented within the Department of Health and Human Services. The Indian Health Service should be established as an Agency of the Department and the Director, IHS should be elevated to Assistant Secretary in order to provide parity for Indian health needs at the Department level.

In conclusion, I thank you for your consideration of our requests and your continued support for Tribal governments.

PREPARED STATEMENT OF DAVE W. WHITENER, CHAIRMAN, SQUAXIN ISLAND TRIBE

Mr. Chairman and Members of the Subcommittee, on behalf of the Squaxin Island Tribe, I thank you for this opportunity to provide testimony on the fiscal year 1999 Bureau of Indian Affairs and Indian Health Service. 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.

SUMMARY OF APPROPRIATION REQUESTS

Tribal Specific

Support for $97,500 for the Squaxin Island Shellfish Management.

Regional

Provide $185,000 for a technical correction of the Western Washington-Boldt Implementation and Pacific Salmon Treaty Funding shortfall;

Support for $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission for Tribal shellfish harvest management, enforcement and enhancement to implement Tribal treaty rights through the establishment of base shellfish operations;

Support for $1 million BIA, Resources Management, Endangered Species initiative;

Support for $3 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; and,

Support for $3.1 million for the Northwest Tribal Ecosystem Management initiative.

Self-Governance and Other National Issues

Provide full funding for IHS and BIA Contract Support Costs (CSC) to address documented Tribal needs and current shortfalls;

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services;

Provide $150,000 for DOI and $150,000 for IHS to maintain the Self-Governance Communication and Education Project;

Transfer budget authority to IHS Office of Self-Governance (OTSG) for approval and payments to Self-Governance Tribes;

Provide no less than $23,000,000 for BIA Tribal Priority Allocation (TPA) General Increase for inflationary costs;

Provide funding necessary to support the restructuring of IHS as an Agency of the Department and to elevate the IHS Director to Assistant Secretary;

Oppose funding transfer of BIA Operations and Maintenance to the BIA's Facilities Management and Construction Center (FMCC) in Albuquerque, NM;

Provide $800 million to support School Facilities Construction; $4 million for Adult Education, $54 million for Johnson O'Malley; and, an estimated $348 million to improve the quality of education for BIA funded schools;

Provide $58.4 million for BIA Public Safety and Justice programs; and,

Provide $10 million for BIA Cultural and Historical Preservation programs.

NARRATIVE SUMMARY OF REQUESTS

Tribal specific

Support $97,500 for the Squaxin Island Shellfish Management. The Squaxin Island Tribe was a plaintiff in the recent 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.

For the past two 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

Provide $185,000 for a technical correction of the Western Washington-Boldt Implementation and Pacific Salmon Treaty Funding shortfall. In fiscal year 1998, the BIA and OSG failed to restore $185,000 to the Northwest Indian Fisheries Commission (NWIFC) as a result of reprogramming trust resources to the TPA line item. The NWIFC must be able to recoup the funds to perform ongoing trust resources on behalf of Tribes for the Western Washington-Boldt case and U.S./Canada Pacific Salmon Treaty.

Support request of $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission 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 provide basic infrastructure for each tribe of $97,500. This would cover only the basic level of management and enforcement needs.

Support for $1 million BIA, Resources Management, Endangered Species initiative. As Tribes that are potentially impacted by the proposed listing of pacific salmon under the terms of ESA, funds are needed for biological review, listing decisions, conferencing, consultation and recovery planning to prepare for the changes in harvest, hatchery and habitat practices in response to the ESA process.

Support for $3 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 $3,000,000 for continued implementation of the President's Northwest Forest Development Plan, "Job 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.

Support for $3.1 million for the Northwest Tribal Ecosystem Management initiative. This amount is needed to support the coordination and cooperative monitoring effort by the Tribal co-managers for the protection and restoration of salmon populations, consistent with ESA, Clean Water Act, Natural Resource Conservation Service's obligation for salmon recovery, and the Forest Service obligations under the Northwest Forest Plan.

We support the requests and recommendations of the Northwest Portland Area Indian Health Board, the Northwest Indian Fisheries Commission, and the Northwest Intertribal Court System. These consortia assist us in an efficient and cost effective manner, thus insuring the tribes and the federal government that scarce

funds are wisely managed. Please consider their requests as you consider our individual submissions.

SELF-GOVERNANCE AND OTHER NATIONAL ISSUES

Provide full funding for IHS and BIA Contract Support Costs (CSC) to address documented Tribal needs and current shortfalls. Contract support continues to be a concern. For the past several years the Squaxin Island Tribe has offered testimony of the need to fund the full amount of Contract Support needed in Indian Country. The BIA still does not do an adequate job of identifying the need for inclusion in the Administration Budget. These funds are vital to Tribes to enable us to continue to maintain our core government functions. We request that the Committee require a report from the BIA which fully identifies the need, and recognize the Intent of the Self-Determination Act and fully fund Contract support.

Contract Support Costs is one of the highest priorities of Tribes. Current CSC shortfalls are estimated at $25 million for BIA and $137 million for IHS, excluding past years shortfalls. CSC is an important part of the federal sources transferred to Tribes under self-determination and self-governance which supports vital managerial and administration functions essential to any government or business.

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services. Mandatory costs should be the first consideration in the budget formulation process. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently construction facilities. IHS and Tribal programs have been forced to absorb these costs over the past seven years. In an analysis conducted by the Northwest Portland Area Indian Health Board, the compounding affect of multi-year funding shortfalls from (fiscal year 1993-fiscal year 1999) have resulted in $1.2 billion in real resources lost. These costs increases will result in further service reductions in health care if not addressed.

We have since opened a new health facility, and are providing expanded primary care to Tribal members. We are also providing dental care, and contract health services from one very modern and accessible facility. Our patient count has tripled, and continues to grow with new and expanded outreach and educational programs. We were able to accomplish this by creatively leveraging our funding to secure financing with a long term loan. Even with this great report, we still have concerns. The Indian Health Service has never been and is not now funded at a level to meet the majority of the need in Indian Country. Although the current budget includes an increase over the prior year, if you examine the numbers more carefully, you will see that we are losing ground. The percentage of increase does not take into account that a conservative estimate of the medical inflation rate is about 5 percent and the average population increase in Indian Country is about 2.3 percent. Using these figures, it is estimated that an additional $85 million would be needed in fiscal year 1999 to keep pace with fiscal year 1998. We ask that the Committee take a serious look at the dollars actually spent to address the medical needs of Indian people today and as we move towards the next millennium. The quality of health care in Indian Country, is at a minimum, an embarrassment when compared to that received by others in this Country.

Provide $150,000 for DOI and $150,000 for IHS to maintain the Self-Governance Communication and Education Project. We support the continued funding of the Self-Governance Communication and Education Project. This project has been a valuable tool for promoting the utilization of the Self-Governance model which has provided meaningful improvements in Indian country without building or maintaining bureaucracies.

Transfer budget authority to IHS Office of Self-Governance (OTSG) for approval and payments to Self-Governance Tribes. We request the transfer of funding authority to the IHS Office of Tribal Self-Governance for approval and payments processes to effect a more efficient distribution of funding to Self-Governance Tribes. Under the present financial system of IHS, there are nine steps for approval, eight steps for apportionment for payment, and eighteen steps to amend and existing Annual Funding Agreement (AFA). Such an expensive and time consuming bureaucratic system is not warranted when other streamlining methods can be implemented. The Office of Tribal Self-Governance (OTSG) should be provided full authority for distribution of all funds provided by IHS, including grants made under authority of the Balanced Budget Act, that are made a part of and funded through the AFA to participating Title III Tribes. We ask the Committee to consider language which supports the transfer of authority to OTSG.

Provide no less than $23,000,000 for BIA Tribal Priority Allocation (TPA) General Increase for inflationary costs. It is extremely important that we, at least, keep pace

with inflation. Even with this request, tribes are left underfunded when compared to other jurisdictions. Although the Administration's budget request for fiscal year 1999 includes a $34 million increase over fiscal year 1998, the request does not include costs for a general increase for TPA. The majority of Tribal services are provided under TPA which fund a variety of social, welfare, housing, education, economic development, law enforcement and natural resource management, along with essential tribal governmental services. TPA also provides Tribes the flexibility to prioritize their funding to meet their individual goals and objectives within each respective Indian community. In 1994, the Joint Tribal/BIA/DOI Task Force recommended TPA inflationary adjustments as a first priority. At a minimum, the requested amount of $23 million will provide for a 3 percent inflation adjustment for existing Tribal programs and services.

We ask that this Subcommittee not be swayed by the few notable success stories and not make decisions based on accounts by the media of Indian gaming. When the discussions are drawn to need based funding, we ask that you consider the needs of all Tribes, and recognize that for the majority, we have historically been, and continue to be, in the under-funded column of the equation. Reports show that while the overall Federal spending has increased, actual spending for Tribal programs has decreased when inflation and population growth is factored into the total numbers.

Provide funding necessary to support the restructuring of IHS as an Agency of the Department and to elevate the IHS Director to Assistant Secretary. Indian health is under represented within the Department of Health and Human Services. The Indian Health Service should be established as an Agency of the Department and the Director, IHS should be elevated to Assistant Secretary in order to provide parity for Indian health needs at the Department level.

Oppose funding transfer of BIA Operations and Maintenance to the BIA's Facilities Management and Construction Center (FMCC). The BIA proposes to transfer funding for Operations and Maintenance line item to the Facilities Management and Construction Center (FMCC) in Albuquerque, New Mexico. This effort does not diminish the bureaucracy, but simply transfers it to another location. Funding should be transferred to the Area offices for a more equitable distribution for all of the federal and tribal facilities maintained by BIA and compacting/contracting Tribes.

Provide $800 million to support School Facilities Construction; $4 million for Adult Education, $54 million for Johnson O'Malley; and, an estimated $348 million to improve the quality of education for BIA funded schools. While we support the Administration's significant investment of $86.6 million for school construction for BIA, even with the proposed increase, there is an estimated need of more than $800 million in BIA school facilities and repair. For Adult Education, funding levels continue to be extremely low and is considered the most poorly funded of all Indian education programs. Since DOE has eliminated Adult Education, BIA must be funded at $4 million. For Johnson O'Malley, we support the proposed increase in the fiscal year 1999 budget, however, the true need is $54 million and is especially critical since there continues to be an annual increase in the number of eligible Indian students attending public schools. The Indian Student Equalization Program (ISEP) is far below the national average per pupil expenditure of $7,371 for academic instruction in School Year 1998–99. $348 million is required to provide quality education to Indian students on an even par basis with the national population.

Provide $58.4 million for BIA Public Safety and Justice programs. To date, no funds have been appropriated by Congress in support of the Indian Tribal Justice Act (Public Law 103–176) for enhancement and improvement of tribal judicial systems. For fiscal year 1999, $11.2 million is requested for tribal courts in BIA and $10 million for the Department of Justice. However, these amounts are not in keeping with the $54 million authorized under the law.

Provide $10 million for BIA Cultural and Historical Preservation programs. The Native American Graves Protection and Repatriation Act (Public Law 101–601), was to ensure Native American human remains and sacred objected retained by federal, state, and local governments, universities, and the museum community are returned to the appropriate tribes and/or descendants. The law also provided for protection of burial sites on tribal and federal lands. Despite a continual tribal request of $10 million from fiscal year 1993-fiscal year 1998, Congress has appropriated only $2.6 million to date. The National Historic Preservation Act (Public Law 89–665) is another law tribes rely on for the protection of cultural and historic resources. Under the 1992 Amendments, Tribes could assume the responsibilities of State Historic Preservation Offices. The Administration has requested $3 million, however additional funding and resources are necessary to protect and preserve Tribal culture.

In closing, the Squaxin Island would like to emphasize the long list of unmet needs that are evident throughout Indian country We are doing everything we can

to work with the limited resources available to us. The health care of Indian people cannot remain at such a deplorable level. We are entering the next millennium, yet Indian people remain as the highest risk population in the Nation. On February 20, 1998, the U.S. President announced a "New Racial and Ethnic Health Disparities Initiative". Unfortunately, the Administration's initiative is inconsistent with the priorities presented by Indian country under the Secretary's consultation policy. Funding was removed from our hospitals and clinics line items to provide funding for Departmental initiatives. Thus, we look to this Committee to correct the gross negligence of our consultative input on the part of the Administration.

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 HENRY CAGEY, CHAIRMAN, LUMMI NATION

My name is Henry Cagey, Chairman of the Lummi Nation. The Lummi Nation, located on the northwest coastline of Washington State. The Lummi Nation is the third largest tribe in Washington State serving a population of over 5,200. On behalf of the Lummi 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 1999 Bureau of Indian Affairs ad Indian Health Service budgets. The following document presents the Lummi Nation's funding priorities, as well as regional and national concerns and recommendations for your consideration. Further, Lummi Nation strongly opposes any Bill, language or legislative riders which undermine Tribal sovereignty and our ability to advance our governmental responsibilities based on long-standing the government to government relationship without consultation or formal hearings.

Tribal-Specific Appropriation Priorities

+$14.6 million Emergency Replacement School Funding.—Provide BIA FI&R Funding for Replacement School Construction funding to replace the permanent school facility, earmarked for Lummi Nation students consistent with Bureau of Indian Affairs Safety and Health standards, for a population of 650 students.

+$1,300,000 To Support Water Agreement in Principle.—Provide the Lummi Nation with funding sufficient to support the final on-reservation water agreement The Lummi Nation does not receive any BIA Water Resource funds through its Self-Governance Annual Funding Agreement on a recurring basis.

+$750,000. Water and Sewer Infrastructure Planning.—Provide the IHS Sanitation Facilities Construction Program with funds earmarked to support the planning of water delivery and sewage extraction system projects and roads system development to enable the continuing orderly development of the Lummi Indian Reservation.

+$350,000. Increase to Lummi Nation Hatchery Recurring Program.—Base to support the on-going operation of the Tribal Shellfish Hatchery consistent with the expansion of the Boldt Decision to shellfish.

Tribal-specific Appropriation Summaries, Justification and Recommendations

Emergency Need Lummi Students Need for a Replacement Tribal School: +$14.6 million.—There are 254 Tribal students now attending Tribal school at a temporary facility that was designed to accommodate 120 students. We will have 59 students next year at the high school level without a facility. This situation has escalated from an emergency problem to a crisis situation through the in-action of the Bureau to address the need for permanent facilities. Since 1989, our Tribal student enrollment has increased by 66 percent from 120 to 211 with a projected future enrollment of 650 in 2000. There are nearly 1,600 Lummi youth of school age, most of whom have expressed an interest in attending Lummi Nation Schools. Approximately 70 percent of Lummi youth still drop out of public school prior to graduation. A 1997 facility review by the Bureau, discovered numerous structural deficiencies which impact the safety and health status of students.

—*Recommendation: Direct the Bureau to Restore Priority Listing of Lummi Nation Replacement School.*—Bureau Educational Staff have persistently denied the request of Lummi Nation to treat its replacement school request as an emergency school replacement under the Facilities Improvement and Repair Program and not as a request for new school construction funding. We ask the Committee to direct the Bureau Education Staff to restore the priority listing of the Lummi Nation on the National Facilities Improvement and Repair and swiftly proceed to process this long over due project.

—*Recommendation: Direct the Bureau to Work with Tribes to Develop Alternative School Construction Financing Methods.*—The Lummi Nation is willing to ex-

plore alternatives school construction which involves more State, local and private financial resources in the financing of Tribal school facilities. Other Tribal governments effectively locked out of the Bureau School Finance System would be willing to join in this effort. We ask the Committee to direct the Office of Indian Education Programs to enter such a planning process leading to the development of school construction financing process which maximizes the benefits to Indian children. For the Lummi Nation, a relatively small amount of Bureau funds, could provide critical gap financing which would enable the Lummi Nation to fund the construction of a much needed school facility with State local and private financial resources.

Funding to Support Water Agreement in Principle: +$1.3 million.—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 on-Reservation water rights conflicts resulting through disregard of 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 has determined, based on its considerable experience in this area, that it will need $1.3 million during fiscal 1999. $300,000 to defray legal consultation costs, $400,000. For on-Reservation technical studies, $600,000 for technical studies in the Nooksack River Basin.

—*Recommendation: Direct the Bureau to Fund Lummi Nation Water Agreement Technical Studies.*—The Lummi Nation requests an increase of $1.3 million in BIA Non-Recurring Programs, Trust Services, Water Rights, Negotiation/Litigation earmarked for the Lummi Nation.

Increase to Lummi Nation Hatchery Recurring Program Base: +$350,000.—To support the on-going operation of the Lummi Nation Tribal Shellfish Hatchery consistent with the expansion of the Boldt Decision to shellfish. In order to include the Lummi Nation Shellfish Hatchery. The development of this hatchery was accomplished by the Lummi Nation and a variety of funding agencies. The Hatchery is fully operational and supplies oyster and clam seed to most northwest Washington Tribes. The funding received from annual sales of $80,000 reduces the annual operating costs of the Hatchery.

—*Recommendation: Provide Lummi Shellfish Hatchery with Recurring Base Operational Funding.*—The Lummi Nation is seeking on-going operational funds from the Bureau's Hatchery Operation Program and inclusion of the Shellfish Hatchery in the Bureau's Hatchery Maintenance and Repair Program for on-going and scheduled maintenance and repair. In order to secure this funding the Lummi Nation is requesting that the Bureau receive an increase in this line item, earmarked for the Lummi Nation Shellfish Hatchery.

Water and Sewer Infrastructure Development Planning: +$750,000.—The Lummi Reservation supports a population of nearly 7,000 persons which has pushed water and sewer systems capacities to their limit. Additional capacity must be obtained now to support the existing population. In the short term water and sewer systems re-design and upgrades will handle the problem. However, the long term solution must include additional treatment capacity and water source location and development. Substantial investments like these require substantial planning. The Lummi Nation is not ale to undertake this level of planning without the assistance requested herein.

—*Recommendation: Direct HIS/OEHE to Fund Lummi Nation Need for Water and Sewer System Planning.*—Provide the IHS Sanitation Facilities Construction Program with funds earmarked to support the planning of water delivery and sewage treatment system infrastructure for the existing and projected population of the Lummi Indian Reservation.

Regional Requests and Recommendations

Support request of $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission for Tribal Shellfish Management, Enhancement and Enforcement funding to implement Tribal treaty rights through the establishment of base shellfish operations;

Support technical correction of $185,000 for BIA Western Washington-Boldt Implementation and U.S./Canada Pacific Salmon Treaty funding shortfall;

Support for BIA request of $3,000,000 for continued implementation of the President's Northwest Forest Development Plan, "Job in the Woods" Initiative and the designation of $400,000 for the Tribal-State of Washington Wild Stock Restoration Initiative;

Support for BIA Forest Development, Endangered Species Act initiative of $1,000,000; 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.

Regional Request Summaries and Recommendations

Support request of additional $1,950,000 for 20 Western Washington Tribes and the Northwest Indian Fisheries Commission for Tribal shellfish harvest management, enforcement and enhancement to implement Tribal treaty rights through the establishment of base shellfish operations. As Tribal shellfish programs continue to develop and expand, other issues affecting shellfish resources have been identified, such as the need for additional data and technical information. The Western Washington Tribes need financial support to establish basic shellfish management capabilities that compliment their existing management programs. This additional amount will help Tribes prepare for future shellfish enhancement and harvest activities as well as implement established tribal/state agreements and other future cooperative management considerations requiring additional tribal shellfish management capabilities.

Support for technical correction of BIA Western Washington-Boldt Implementation and U.S./Canada Pacific Salmon Treaty funding to levels consistent with the previously identified levels as directed by Subcommittee. During this past fiscal year, the BIA and the Office of Self-Governance failed to fully restore these funds when these were re-programmed from the TPA line. This error is a direct loss of funding to the Northwest Indian Fisheries Commission (NWIFC) at a time when we can ill afford further budget reductions. For the past three years, we have witnessed a direct attack on Tribal Self-Governance; and in the process, Indian natural resource management has been unfairly affected. While the NWIFC has shared in funding shortfalls, they are unwilling to be disproportionately affected. We strongly urge the Subcommittee to maintain Trust, TPA and Self-Governance program funding.

Support for BIA request of $3,000,000 for continued implementation of the President's Northwest Forest Development Plan, "Job in the Woods" Initiative and designation of $400,000 for the Tribal-State of Washington Wild Stock Restoration Initiative. We request that the Subcommittee continue to provide $400,000 joint Tribal-State of Washington Wild Stock Restoration Initiative from the Bureau of Indian Affairs, Forest Development, Woodland Management; Northwest Forest Plan "Jobs in the Woods" Initiative, requested by the Administration at $3 million. This program is essential for development of a habitat inventory base from which restoration efforts can begin. This approach would be identical to that taken last year which the Subcommittee supported. The remaining $2.6 million from this initiative will allow Tribes to conduct watershed analysis and watershed restoration in watersheds within their usual and accustomed areas. These funds will help restore critical salmon streams.

Support for BIA Resources Management request of $1,000,000 for Endangered Species Act initiative. Tribes have worked very hard over the years to bring about positive and effective change in resource management. However, the ESA process has resulted in significant changes to harvest, hatchery and habitat practices and has placed new obligations upon us. This amount will be used to enhance Tribal capacity to respond and meet these ESA process obligations.

We continue 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 Considerations

Provide $900,000 increase to the DOI Office of Self-Governance for planning and negotiation grants and $500,000 to both DOI and IHS Self-Governance offices for additional Ft.'s for Field Offices as appropriate;

Transfer budget authority to the IHS Office of Tribal Self-Governance for approval and payments to Self-Governance Tribes;

Support for Increased Funding for Bureau Real Estate and Trust Function;

Provide $150,000 from BIA and $150,000 from IHS for Self-Governance Communication and Education Project;

Provide increase for BIA and IHS Contract Support funds to address documented Tribal needs;

Provide a minimum of $23,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflation; and,

Provide $120,000,000 for IHS mandatory, inflation and population growth increase needed to maintain existing health care services.

Summaries Self-governance and Other National Considerations

Provide $900,000 increase to the DOI Office of Self-Governance for planning and negotiation grants and $500,000 respectively to both DOI and IHS Self-Governance offices for additional FTE's for Field Offices as appropriate. The DOI and IHS Self-Governance offices are responsible for the facilitation of the annual negotiation process and implementation of the Self-Governance initiative within the Department. In fiscal year 1998, a total of $182 million in funding has been obligated and transferred from the BIA to 206 Tribes and $423 million in funding has been transferred from IHS to 239 Tribal governments under Self-Governance.

Support for Increased Funding for Bureau Real Estate and Trust Services; Land The Lummi Nation Supports increased funding for Bureau Land Records Improvement Program and Probate Backlog and its efforts to address the fractionated heirship. We hold real estate services as a sacred trust to our people. Therefore the Lummi Nation has assumed the management of the Bureau Real Estate Services under the Self-Governance Initiative.

Transfer budget authority to the IHS Office of Tribal Self-Governance for implementation of approval, payment and award of all Self-Governance funding to participating Tribes.

Increase BIA and IHS Contract Support Funds to address documented need. We request that the Subcommittee directs the BIA and IHS to begin the process to identify actual need in future budgets and accurately report shortfall amounts. Despite the fact that contract support has been one of the very highest priorities nationally, the BIA has historically failed to adequately identify, measure and report the need and justification for these funds. Because the BIA has never fully funded contract support costs, Tribes are forced to absorb these costs within existing programs thus reducing direct services. The Tribes only other option is to use very limited Tribal funds. For the Lummi Nation the lack of full funding for Contract Support has meant the loss of in excess of $554,704 annually for the past 8 years. We are, therefore, greatly alarmed regarding the failure of the Administration to provide for additional funding for CSC in the IHS budget. The total CSC shortfall for IHS is estimated at $137 million. This amount includes CSC shortfall for existing Tribal contracts and compacts. While the Administration says that it is committed to the policy of Tribal self-determination and self-governance, it's failure to provide any increase for CSC essentially halts further progress or opportunity for Tribes to assume and manage these programs.

Provide $300,000 as a base funding amount for the Self-Governance Communication and Education Project. The purpose of this Project has been to provide technical assistance and factual information about Self-Governance and to create an open atmosphere where this concept can be discussed, debated and developed by Tribal and Federal officials. The Project 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. With the anticipated increase in participating Tribes and expansion of Self-Governance to other federal agencies and program, continued funding is needed to provide these communication and education efforts.

Finally, we strongly recommend restoration of funding levels within the Bureau budget for critically-needed existing programs. We have faced generations of paternalism, yet we remain at the bottom of the list in almost every measurable economic category and we have been enduring some of the worst living conditions in the United States. This funding is an obligation which stems from solemn commitments of the United States to Indian people to provide basic health, safety, education and economic security. We appreciate this Subcommittee's continued support and urge that Tribal government operations be afforded the highest priority in your appropriation decisions.

The Lummi Nation, as one of the first tribe involved the development of the Self-Governance Initiative, would like to remind the Sub-Committee members that 1998 marks the 10th year of successful implementation of the Self-Governance Initiative. However, a decade of increasing success is not enough. We want to continue on this path towards empowerment into the new millennium. This Sub-Committee's continued support and understanding of the Self-governance initiative is critical to Tribal successes. Self-governance is a permanent part of the Bureau of Indian Affairs. Shortly, the Congress will be considering legislation to make Self-Governance a permanent part of the Department of Health and Human Services. We urge your support for this legislation. While every Tribal government is not ready for Self-governance at this time, it is the goal of all Tribes to become more self-governing as their capabilities increase consistent with the needs of their people. The Self-governance initiative is designed to provide this option to Tribes when and if the people through their governments determine it is appropriate.

I appreciate your consideration of the fiscal year 1999 requests and recommendation of appropriations for the BIA/IHS, on behalf of the Lummi Nation. Thank you.

PREPARED STATEMENT OF STEPHANIE RAINWATER, PRESIDENT, KETCHIKAN INDIAN CORP.

Introduction.—Thank you for this opportunity to provide testimony on the fiscal year 1999 budget request for both the Bureau of Indian Affairs (BIA) and for the Indian Health Service (IHS). Ketchikan Indian Corporation is a federally-recognized tribal government organized under an Indian Reorganization Act (I.R.A.) constitution approved by the Secretary of the Interior in 1940. We have more than 3,900 members. In 1976, we were one of the first Indian tribes to assume, under the newly enacted Public Law 93–638, the tribal operation of programs run by the Bureau of Indian Affairs. In 1993 Ketchikan joined with several other Indian tribes in Alaska to be the first to participate in the BIA Tribal Self-Governance demonstration program. Since then we have managed our BIA-funded programs under self-governance authority for a total of approximately $1.7 million each year.

With the increased flexibility and accountability accorded Indian tribes under Tribal Self-Governance, Ketchikan has been able to maximize the beneficial impact of these federal dollars at the local, community level. As a result of Tribal Self-Governance, we have strengthened our tribal administrative and management control systems. Our Tribe is poised to assume more program and service responsibilities. Our tribal members are excited about this new chapter in our Tribe's history. We are experiencing a renaissance of our tribal culture and a restoration of our self-sustaining tribal economy, including the growth of tribal enterprises that provide employment opportunities for tribal members and revenue for tribal governmental programs. This increased tribal economic activity also has a direct and positive impact on our neighboring non-Native communities in the Ketchikan Borough because we are attracting dollars from outside our area and are churning them in our local economy.

Supporting Local Tribal Health Self-Governance Authority.—We ask this Subcommittee to ensure that nothing in the fiscal year 1999 appropriations act be allowed to inhibit our right as a relatively large tribe to continue to run our own health programs under Pub. L. 93–638 (Self-Determination; Self-Governance). There are three reasons for our request. First, the local control authorized by Pub. L. 93–638 permits greater cost efficiencies and maximizes the benefit of each appropriated dollar. Second, the self-determination and self-sufficiency fostered by Pub. L. 93–638 is the key to our future survival as an Indian tribe. Third, any further disruption of our health delivery will have negative impacts on the health of our patient population.

Let me explain why these three concepts are so critical for KIC. KIC began 1997 with two main objectives: (A) to build a new health clinic facility in Ketchikan; and (B) to administer, under Public Law 93–638 authority, the delivery of federally-funded health care services to KIC tribal members and other eligible Indians in the Ketchikan area. KIC's initiative was opposed by the Southeast Alaska Regional Health Corporation (SEARHC), a large non-profit health organization which has administered these and other federal health care funds on behalf of more than eighteen (18) Tribes in Southeast Alaska in previous years.

In October, 1997, after months of extremely difficult negotiations, KIC ended up with an IHS Self-Governance agreement by which KIC operates the Ketchikan clinic under a 12-month, $2.7 million annual funding agreement to provide health clinic services. Our tribally operated KIC health clinic now employs 40 professional, technical, and clerical staff in support of acute and chronic medical, and dental services. It also provides social services for our clients who need counseling and referral services. In addition to providing acute medical services, our clinic provides essential preventive services, such as cancer screening, TB screening, prenatal care, and health education. Our patients include those Indians and Alaska Native residing in the Ketchikan area; our active user population is approximately 5,500.

Last October, the Congress adopted a provision which required IHS to have only one tribal contract or compact in effect within the Ketchikan Gateway Borough in the future.[1] To comply with this new law, KIC recently submitted a competitive application to IHS to be the one compact or contract in the Borough for fiscal year

---

[1] "* * * in awarding the contract or compact, the Secretary shall take into consideration—(1) the ability and experience of the applicant; (2) the potential for the applicant to acquire and develop the necessary ability; and (3) the potential for growth in the health care needs of the covered borough." Section 203(b), Pub. L. 105–143.

1999. At the same time, KIC has also been the subject of a GAO review of our health operations. The GAO conducted a site visit at our clinic less than three months after we started running our clinic under strenuous start-up conditions. We asked the GAO to return after we had a few more months of patient data on hand to show how efficient is our operation. The GAO declined. Despite the challenges posed by our sudden start-up, we believe any fair review of our performance will show that we are delivering quality health care in a cost-efficient manner. Local control over program decision-making in our vast region of Alaska leads to greater cost efficiencies. In this case, local or tribal control means our patient population gets more bang for the buck. We believe our proposal, now pending with the IHS, will be awarded on the merits of our performance thus far in fiscal year 1998. If we are awarded the single contract by IHS, the Organized Village of Saxman, a tribe of several hundred members also located in the Ketchikan Borough, has indicated it will support KIC's application to serve Saxman members.

Replacing Our Health Clinic Facility.—We are not asking the Subcommittee to provide construction funding for our new clinic facility. We have arranged separate financing. With the new clinic in mind, our congressional delegation assisted KIC in gaining title to a closed Coast Guard facility site within the city of Ketchikan. We may now either sell or swap that site in exchange for another clinic site. We have commissioned the development of plans for the construction of a new health clinic. Our health service delivery needs have outgrown our antiquated health facility. We will keep the Subcommittee apprised of our developing plans which should have no impact on Federal construction obligations.

Why We Have Assumed Local Self-Governance Control of Our Clinic.—As we were developing plans for a new facility, our Tribal Council began to hear growing complaints from our membership about the difficulties they had receiving dependable and quality services from SEARHC, a relatively large non-profit health organization that has operated our Ketchikan clinic under contract with IHS for a number years. The non-responsive inefficiencies of a decision-making process of SEARHC's large organization located far from the field of service began to draw increasing criticism from clinic patients. Our tribal leadership tried to sensitize SEARHC to the problems, but with little success. Finally, in July, 1996 our Tribal Council heeded the call of its membership and submitted a Public Law 93–638 application to the IHS to assume the management of KIC's portion of the clinic. Our rationale? To improve the quantity and quality of health care by assuming local control and responsibility for the operation of local programs.

On April 24, 1997, the IHS approved a proposal for dividing up the funds between KIC and SEARHC, and a plan for some joint management by KIC and SEARHC of the Ketchikan clinic. In the self-governance agreement signed by IHS in May, 1997, KIC's assumption of clinic operations was to begin on October 1, 1997. SEARHC subsequently wrote IHS on June 17, 1997 to announce it had decided to abandon the agreement for joint management with KIC and instead proposed to divide the old program into two clinics, one managed by KIC to serve KIC members, and one managed by SEARHC to serve Saxman and other small Tribes in the Ketchikan Gateway Borough. Consequently, KIC was forced to endure painful negotiations with SEARHC throughout the summer of 1997 over the question of how to divide up one clinic into two operations, one large KIC clinic and one smaller SEARHC clinic.

During these negotiations, appropriations rider language was proposed in the Senate which attempted to nullify our contract or compact despite the fact that it had been signed and transition efforts had begun. The proposed rider, which went through various changes and was not finalized until the very beginning of the new fiscal year, caused us great uncertainty. We did not know whether or not the United States would uphold the agreement it had signed with us in June. We did not know whether we should carry out preparations to operate a clinic, hire professional medical staff, purchase supplies, and so forth. This was a very difficult period for KIC. We got the final word that our agreement would be honored just a few days before we had to open the clinic in mid-October. We are proud of the fact that our clinic operations opened smoothly. We are grateful for the clinic staff who braved uncertainties to ensure that health services were delivered with only minimal disruption throughout the period of transition.

For the first months of operation of the KIC Tribal Health Clinic, our doctors and support staff worked very efficiently together, managing to see a very high number of patients in comparison to the number of patients seen in the clinic the previous year for the same month. In dividing up the clinic operational funding, KIC was allocated 58 percent of the prior year's funding to provide health care for Ketchikan residents, and SEARHC was allocated 42 percent of the funding to serve other Indians, yet in November 1997 the KIC Tribal Health Clinic saw 70 percent of the num-

ber of patients seen in November 1996. In December 1997 the KIC Tribal Health Clinic saw 64 percent of the number of patients seen in December 1996, and in the first five days of January 1998 the KIC Tribal Health Clinic saw 82 percent of the number of patients seen in the first five days of January 1997. KIC was aware that our clinic would most likely be required to provide health care for more than 58 percent of the total population but chose to take on that great task to keep our health care services close to our community and to be able to tailor our health programs to local needs.

Our pharmacist has performed well beyond the call of duty to provide services to the Ketchikan patients. Due to the uncertainty caused by the legislation, KIC has not been able to hire a second pharmacist. During an eighteen day test period in December and January the KIC Tribal Health Clinic pharmacist filled 60 percent of the number of prescriptions filled in the same time period the previous year by three pharmacists. The KIC Tribal Health Clinic pharmacist experienced 1,481 compared to 818 patient encounters per pharmacist the previous year.

Health Objectives for Fiscal Year 1999.—We seek early assurance that our continued operation of our health clinic is not disrupted or made uncertain by changes in the law. We hope to remove, as soon as possible, the uncertain, temporary nature of KIC's health service delivery so that quality health services are not disrupted, so that funds appropriated in fiscal year 1998 are not wasted on startup and shut down, and so that KIC can attract and retain qualified long-term personnel to our clinic operations. We want quickly to turn to devoting our full energies and focus to financing and constructing our new clinic facility as soon as possible and to securing a fairer share of the available IHS services dollars on a per patient basis.

IHS Services Funding.—KIC endorses the testimony of other Tribes which decries the Clinton Administration's flat-line spending request for Indian health services for fiscal year 1999. We cannot maintain the same level of services next year with the same amount of service dollars we received in fiscal year 1998. Inflationary and other cost increases will make today's dollar worth less next year and we will, as a result, have to cut back our health services to our members. We implore this Subcommittee to add funds to the Administration's request for health services.

BIA Contract Support Funds.—We share the concern of other Tribes that settlement of the Ramah Navajo class action suit will result in a court judgment that is hollow. As you know, KIC was part of the class of plaintiffs who were joined by the Court in the case seeking damages for administrative costs that the BIA unlawfully refused to pay during the years 1989 through 1993. We are alarmed by reports that the Justice Department, acting as the lawyers for the Interior Department, has indicated it will seek to have the Judgment Fund reimbursed by Interior appropriations for any damages paid to the Tribes. This would be completely unfair to us. It would mean that the United States settles a case, agrees to pay damages approved by a judge, and then later offsets that payment of damages to Tribes with a reduction in other funds due the Tribes. KIC requests that the Subcommittee instruct the Interior Department in fiscal year 1999 bill language to not permit any reduction in its discretionary funding to be made in order to satisfy any judgment duly entered in a court of law regarding the Ramah case.

Conclusion.—We thank you for this opportunity to provide testimony. Please do not hesitate to let me or my staff know if we can provide any further information of value to the Subcommittee in its deliberations

---

PREPARED STATEMENT OF CURTIS ZUNIGHA, CHIEF, TRIBAL COUNCIL, DELAWARE TRIBE OF INDIANS

The Delaware Tribe of Indians, a federally-recognized tribal government located in eastern Oklahoma, appreciates this opportunity to provide written testimony to this Subcommittee on the President's budget request for fiscal year 1999 funding for the Department of the Interior, Bureau of Indian Affairs (BIA).

We wish to address two main points. First, we want, in the strongest terms, to urge the Subcommittee to adopt bill language which would remove confusion created by an overly-broad fiscal year 1992 appropriations proviso that has placed our Tribe's authority to fully administer federally-funded programs in some jeopardy. And second, we want to thank this Subcommittee and the Congress for fully funding the "new tribes" account in fiscal year 1998. Your actions have had a direct and positive impact on our Tribe. We have begun to accomplish many things with our first year funding and ask that you fund the full amount requested for the fiscal year 1999 "new tribes" account which will provide us with our second of three years of funding.

BACKGROUND ON THE DELAWARE TRIBE OF INDIANS

The Delaware Tribe of Indians has had a long and rich history of relations with the United States. In 1778, the Delaware became the first tribe to be granted recognition by the United States. By 1866, most of the Delawares had moved from the northeastern U.S. to Kansas. In 1866 our ancestors signed a treaty providing for their removal to Oklahoma. Since 1866, the Delaware Tribe of Indians have continuously maintained an elected tribal government in Bartlesville, Oklahoma and engaged in direct, government-to-government relations with the United States.

In the early 1970's, the Delaware became one of the first tribes to contract with the BIA and the Indian Health Service, assuming tribal administration of programs previously run by Federal bureaucrats. This tribal initiative was in direct response to President Nixon's call for Indian self-determination.

In 1977 the U.S. Supreme Court expressly affirmed that the Delaware Tribe of Indians of eastern Oklahoma has "* * * maintained a distinct group identity, and they are today, a federally recognized tribe." *Delaware Tribal Business Committee* v. *Weeks*, 430 U.S. 73, 77 (1977). In the Ford Administration's brief, Interior Secretary Kleppe likewise declared that the Delaware Tribe of Indians of eastern Oklahoma was a "federally-recognized" tribe.

Nevertheless, in 1979, an acting BIA Deputy Commissioner in the Carter Administration issued a letter on behalf of the Cherokee Nation of Oklahoma purporting to end the Delaware Tribe of Indians' relationship with the United States. For the next 16 years, the BIA refused to resolve the confusion it had caused about the Delaware Tribe of Indians' status as a tribe.

That uncertainty has now ended. We are relieved to report that in 1996, after careful legal review by its Office of the Solicitor, the Interior Department finally resolved the matter by expressly reaffirming the Delaware Tribe of Indians (Eastern Oklahoma) as a federally-recognized Indian tribe.

Nevertheless, some uncertainty lingers about the Delaware's authority to administer some federally-funded programs because of an overly-broad proviso added in 1991 by the conference committee to the fiscal year 1992 Interior appropriations Act.

BILL PROVISO LANGUAGE

In its fiscal year 1999 budget request, the Administration has proposed bill language governing the BIA which would replace the ambiguous proviso to the fiscal year 1992 appropriations Act. The Department of the Interior's position is that the 1992 proviso was never intended to affect the Delaware. In addition, the Delaware Tribe contends that the proviso should have been considered to be effective only for fiscal year 1992. The ambiguity created by the 1992 proviso, however, continues to raise questions and cause unnecessary delays in the Delaware Tribe's efforts to administer our programs.

The fiscal year 1992 proviso said that— "* * * until such time as legislation is enacted to the contrary, none of the funds appropriated in this or any other Act for the benefit of Indians residing within the jurisdictional service area of the Cherokee Nation of Oklahoma shall be expended by other than the Cherokee Nation, nor shall any funds be used to take land into trust within the boundaries of the original Cherokee territory in Oklahoma without the consent of the Cherokee Nation."

Many Delaware members reside within the Delaware Tribe's service area which overlaps that of the Cherokee Nation of Oklahoma. This is not unusual throughout Indian Country.

In its proposed fiscal year 1993 bill, the Department recommended that Congress not include the fiscal year 1992 proviso. Congress agreed, and the proviso has not been reenacted in any of the appropriations Acts since 1992. As far as the Delaware Tribe is concerned, this should have ended the matter.

Nevertheless, confusion continues to reign within the Department about whether the 1992 proviso is permanent law, and whether it applies to the Delaware Tribe. The legislative history of the proviso makes it clear that its sponsors intended it to resolve a dispute between the United Keetoowah Band of Cherokee Indians and the Cherokee Nation of Oklahoma, by making the Cherokee Nation the only tribe that would receive Federal funding for Cherokee Indians in that area. The original Senate bill language, and all of the related floor and report language was concerned with the dispute between the Keetoowah Band of Cherokees and the Cherokee Nation. The record does not reflect any intention to restrict funding to the Delaware Tribe, nor does it even reference the Delaware Tribe at all.

Continuing confusion about the meaning and impact of the 1992 proviso could disrupt our Tribe's orderly administration of its federally-funded programs. Therefore, the Delaware Tribe of Indians strongly urges the Subcommittee to include language

in the fiscal year 1999 bill which conclusively and expressly repeals the 1992 proviso.[1] If this is not possible, we ask you to include bill language which conclusively and expressly exempts the Delaware Tribe of Indians from the 1992 proviso,[2] or to include the bill language proposed by the Administration which would replace the 1992 proviso with a more narrowly drawn limitation.[3] Any of these alternatives is to be preferred over the uncertainty that continues to be caused by the confusion surrounding the fiscal year 1992 proviso.

"NEW TRIBES" FUNDING

In fiscal year 1998, the Congress appropriated the full amount of funds requested by the Administration for the "new tribes" account. The Delaware Tribe of Indians wishes to thank this Subcommittee for supporting the "new tribes" funding in fiscal year 1998, and asks that you fully fund the Administration's request for "new tribes" funding in fiscal year 1999.

Following its 1996 ruling which reaffirmed the status of the Delaware Tribe of Indians as a tribal government, the Administration sought "new tribes" funding for the Delaware after years of uncertainty that had disrupted our earlier funding. While we are not a "new" tribe, our status has only recently been reaffirmed and we thus qualify for funding under this account.

Since enactment of the fiscal year 1998 Act, our Tribe has initiated plans to use the "new tribes" funding of $160,000 to revise our existing tribal constitution, establish core governmental and programmatic control systems, and administer service programs for the benefit of our members.

The funds provided under the "new tribes" account in fiscal year 1998 have had a direct and positive impact on our Tribe. We have begun to accomplish many things with our first year funding and ask that you fund the full amount requested for the fiscal year 1999 "new tribes" account which will provide us with our second year of funding as requested by the Department.

CONCLUSION

We are proud of our government-to-government relationship with the United States. We are striving to run our tribal government and deliver tribal services in the most efficient manner possible. The fiscal year 1992 proviso has raised unnecessary uncertainties which frustrate our efforts to maximize services to our members. We urge the Subcommittee to adopt bill language which would remove the confusion created by an overly-broad fiscal year 1992 appropriations proviso that has placed our Tribe's authority to fully administer federally-funded programs in some jeopardy. And we ask that you fund the full amount requested for the fiscal year 1999 "new tribes" account which provides essential funding to our tribal government. Thank you.

PREPARED STATEMENT OF EDWARD K. THOMAS, PRESIDENT, CENTRAL COUNCIL OF TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

INTRODUCTION

Greetings from Alaska. My name is Edward K. Thomas, President of the Central Council of Tlingit and Haida Indian Tribes of Alaska (Tlingit & Haida), a federally-recognized Indian tribe based in Juneau, Alaska. I have served as President of my Tribe since 1984.

Thank you for the opportunity to testify on the fiscal year 1999 appropriations request for the Department of the Interior (DOI) and the Bureau of Indian Affairs (BIA). My testimony will focus on four main areas of concern: indirect costs, Tribal

---

[1] For example, we favor the following language: "Provided further, That the sixth proviso under this head in Public Law 102–154, for the fiscal year ending September 30, 1992 (105 Stat. 1004), is hereby repealed."

[2] Alternative bill language exempting the Delaware Tribe of Indians could read as follows—"Provided further, That nothing in the sixth proviso under this head in Public Law 102–154, for the fiscal year ending September 30, 1992 (105 Stat. 1004), shall be construed to apply to the Delaware Tribe of Indians, a federally-recognized tribe in eastern Oklahoma, or to affect in any way its eligibility to administer federal funds and programs for the benefit of its members."

[3] The bill language proposed by the Administration is as follows—"Provided further, That the sixth proviso under this head in Public Law 102–154, for the fiscal year ending September 30, 1992 (105 Stat. 1004), is hereby amended to read as follows: Provided further, That until such time as legislation is enacted to the contrary, no funds shall be used to take land into trust within the boundaries of the original Cherokee territory in Oklahoma without consultation with the Cherokee Nation.

Priority Allocations (TPA), welfare reform and funding for the Office of Special Trustee.

Tlingit and Haida has 23,000 members and has been a self-governance Tribe since fiscal year 1993. We were among the first self-governance tribes in the Juneau Area, which covers nearly all of Alaska. We were the first Tribe to enter into a multi-agency agreement under Public Law 103–477, which allows us to consolidate employment and training funding from various federal sources into one coordinated tribal program. Many of our Native communities are pockets of high unemployment and many of our individual members are quite poor. Many of our members live with conditions most Americans would find shocking.

1998 APPROPRIATIONS

Let me begin by thanking Congress, and particularly this Subcommittee, for the support it gave to increased Indian funding in fiscal year 1998. That resulted in $757.4 million for the TPA account, an increase of a little more than one percent ($76.5 million) over the amount provided for the TPA account in fiscal year 1997. After fixed costs and special distributions necessary to bring each small and needy tribe up to a minimum floor of annual TPA funding of $160,000, approximately $23.6 million remains available as a general increase to the TPA account in the fiscal year 1998 Department of the Interior Appropriations Act.

For far too long, small and needy tribes have had to "make do" with funding levels too small to provide meaningful governmental services to their tribal members. In response, the 1994 Reorganization Task Force recommended that TPA increases be applied, as a priority, to bring small and needy tribes up to a minimum annual level of funding. The Reorganization Task Force determined that the minimum floor should be $160,000 per tribe in the Lower 48 states, and, in recognition of the cost differentials and challenges unique to Alaska, $200,000 per tribe in Alaska.

Many small tribes have not had enough resources even to open a small office to conduct tribal business and provide much needed services to their members. While we remain puzzled why Congress overlooked the added costs associated with being located in Alaska, my Tribe does commend the Congress for making sure that these small and needy tribes for the first time obtained the minimum funding levels which many of us have sought for years. We would encourage you to apply any TPA increases in the fiscal year 1999 budget to ensure that small and needy tribes in Alaska are raised to a minimum of $200,000 per tribe.

INDIRECT COSTS AND THE RAMAH NAVAJO CASE

The Ramah Navajo class action case is in the final stages of settlement. Our Tribe, like most other Tribes, was included by the court in the class of plaintiffs who sought damages for administrative costs that the BIA unlawfully refused to pay during the years 1989 through 1993. The amounts of damages have been identified for each Tribe. But there is one major problem. The Justice Department, acting as the litigation counsel for DOI, has refused to promise that it will refrain from seeking to have the Judgment Fund reimbursed by DOI appropriations for any damages paid to the Tribes. This is the height of heavy-handed unfairness for the United States to admit in settlement that it had unlawfully withheld funds from Tribes, to tell the court that it has agreed to pay tribes for the funds they lost, and then to offset that payment with a reduction in other funds due the Tribes. Senators Campbell and Inouye have written to Attorney General Reno asking that she ensure that no reimbursement for Judgment Funds paid out to Tribes will be deducted from funds that would otherwise come to Tribes through DOI appropriations. We ask that you likewise instruct the DOI to not permit any reduction in its discretionary funding to be made in order to satisfy any judgment duly entered in a court of law. We suggest language be included in the general provisions of the bill as follows: "Notwithstanding any other provision of law, none of the funds appropriated under this Act shall be used to reimburse the Department of Justice for a judgment entered in the Ramah Navajo class action suit."

FISCAL YEAR 1999 TPA FUNDING

Increases in the Tribal Priority Allocations (TPA) funding, and an equitable distribution of increases to the TPA account, are of extreme importance to my Tribe.

Increases Are Needed.—While we thank you for providing increases in the past two fiscal years, they did not keep pace with even the low rate of inflation that we have enjoyed in these years. And the needs confronting our communities are so great, and the lack of basic services is so painfully obvious, that we can only ask that this Subcommittee make major TPA increases its top priority for fiscal year 1999 appropriations.

The American Indians and Alaska Natives residing within Alaska and the BIA Juneau Area are scattered over a huge territory of land that poses unique challenges for communication, governance, and the delivery of essential services. Many Indians and Natives in Alaska suffer from high rates of unemployment. Given the realities of weather and remote geography, the cost to provide basic governmental services is much higher in Alaska than in many other parts of America.

The needs of our membership tax to the limit the meager resources of our tribal government. Our Tribe necessarily depends upon the appropriations provided by the United States. Most of our essential governmental services to our members are funded under the TPA account. This is why TPA funds, and an equitable distribution of increases to the TPA account, are of extreme importance to my Tribe.

Increases Should Be Distributed Equitably.—My Tribe strongly objects to the short-term recommendation of the January 29, 1998, TPA Task Force Final Report and Recommendations. The TPA Task Force's recommended allocation of one-twelfth of the fiscal year 1998 TPA increase to each of the 12 BIA Area Offices, without any variation based on the relative need of tribes within each of those BIA Areas, will cause even more inequity in the BIA funding system. We ask that the Subcommittee take prompt action to urge the BIA to abandon this approach before it makes the fiscal year 1998 distribution. And we further request that the Subcommittee expressly require that the fiscal year 1999 allocation of any TPA increases be targeted to Tribes whose members have the greatest financial need as measured by rational standards.

The numbers of Tribes and Indians, plus individual and tribal "needs" and conditions, vary tremendously from Area to Area. While our Juneau Area has fewer Indians and Natives within its jurisdiction than do many other BIA Areas, by nearly every known measure the Juneau Area has some of the "neediest" Indians in terms of low income levels, lack of access to employment and training opportunities, and the unavailability of basic services.

The BIA has never implemented the 1994 Joint DOI/BIA/Tribal Reorganization Task Force's recommendation to establish a Standard Assessment Methodology by which to measure tribal needs based on rational and measurable standards. Nevertheless, even without having a well-developed, comprehensive Standard Assessment Methodology, there is readily available data on a national level that could have been used by the TPA Task Force as an alternative to arbitrarily dividing the increase by 12. Factors could be used, such as the number of tribes, unemployment rates, cost of living indexes, population, service delivery area, and so forth, incorporating readily available data, to create a simple allocation formula that begins to address the parity gap among tribes. Some or all of these factors could be given varying weights in preparing an allocation formula. One of the easiest to derive and perhaps best indicators of relative need are the unemployment statistics that are available for each Indian and Native community in the "Indian Service Population and Labor Force Estimates" maintained by the U.S. Department of the Interior.

WELFARE REFORM

The 1995 Welfare Reform law provided an opportunity for the state of Alaska to enter into a cooperative agreement with my Tribe to provide Temporary Assistance to Needy Families (TANF) to Alaska Natives in Southeast Alaska. This program invites states to provide matching money for the administration by Tribes of this program. Last year Alaska's governor requested some money (about half of what is needed) from the legislature and the legislature funded about half of what the governor requested. This means that my Tribe and other regional Native organizations were not able to manage a "Native" TANF in Alaska this past year. Our Native people are once again left out of opportunities of getting referred to jobs through these programs and left out of training opportunities associated with the "welfare-to-work" initiatives.

I am requesting that a $2 million pilot program be set up in states where the state government is unwilling to work constructively with Tribes. In this way, funds appropriated through the Department of the Interior could be passed on to Tribes to be used as the administrative match for Welfare Reform programs. This would go a long way to bridging the gap between Tribes and states on Welfare Reform.

ADDITIONAL FUNDING FOR THE OFFICE OF SPECIAL TRUSTEE

The Interior Secretary has endorsed the latest version of the strategic plan of the DOI Special Trustee for Indians. My Tribe fully supports the Secretary's $42 million request for that Office. Although we feel there is a need for more funding to do the job properly, the $8.1 million added to last year's amount is a good start at the very

important job of managing tribal assets held in trust by the Department. It is in everyone's best interest to get this very important issue behind us.

Although the efforts of the Office of the Special Trustee are very important, it is equally important that increased funding for his efforts are not made at the expense of other important BIA and tribal programs.

CONCLUSION

Thank you very much, Mr. Chairman and Members of this Subcommittee, for the opportunity to present this testimony on behalf of Central Council of the Tlingit and Haida Indian Tribes of Alaska and its citizens. I wish you well as you do your work in this Congress and I hope my comments are useful as you decide on these very important issues.

PREPARED STATEMENT OF PEARL CAPOEMAN-BALLER, PRESIDENT, QUINAULT INDIAN NATION

SUMMARY—QUINAULT INDIAN NATION REQUESTS: TRIBAL PRIORITIES

Quinault Cultural Preservation Center (QCPC) +$300,000 National Park Service: Historic Preservation Fund

The Nation supports the Administration's proposed $25 million for grants to states, territories and Tribes. We renew our request to fund construction and development of a Quinault Cultural Preservation Center and Museum to preserve the cultural heritage of the Quinault people—a nation which consists of 7 tribes. Through Self-Governance funding, a small cultural program was developed, however, a facility is needed to properly preserve, restore, catalogue and display artifacts and family heirlooms and other archeological findings. Request a $300,000 earmark.

Senior Citizens Assisted-Living Program +250,000 IHS—Community Health Program

As our elderly population increases, many of our senior citizens are not receiving proper nutritional and health care. Our existing Public Health/Community Health Program is unable to provide continuous care due to lack of staffing and equipment and supplies. We are in urgent need of 24-hour care for seniors in both villages on the Reservation. We are requesting an earmark of $250,000 initial funding and $150,000 on a recurring basis to establish a senior citizens assisted-living program in the villages of Queets and Taholah.

REQUESTS AND RECOMMENDATIONS: NATIONAL LEVEL

BUREAU OF INDIAN AFFAIRS—Land Consolidation Project

We support the Indian Land Consolidation Project, proposed by the Department at an initial funding level of $10 million. This program is designed to address one of the crucial problems facing Indian Country and the Department—consolidation of fractionated interests in Indian lands. The Secretary and the Special Trustee both have pointed to this problem as one where the costs to the government to not address the problem greatly outweighs the cost to fix it. The Quinault Reservation and the Quinault government is one of the worst examples of the management and financial nightmare created by this problem. We urge the Committee to fund this pilot project at the full amount requested.

INDIAN HEALTH SERVICE—Restore Indian Self-Determination Fund +$7.5 million

No new funding for contract support costs has been provided in fiscal year 1999, thereby eliminating support for new and expanded Public Law 93–638 contracting and compacting. With Contract Support Costs shortfall of over $110 million, the rights of tribes to operate programs provided for the benefit of their members will never be realized. Congress should restore the 7.5 million Indian Self-Determination Fund in the 1999 IHS Budget.

Provide Funding for Mandatory and Inflationary Cost Increases +$140 million

IHS has now had to absorb over $700 million in unfunded mandatory cost increases over the past seven years. Congress should provide IHS with an additional $140 million for mandatory and inflationary cost increases to maintain current services in fiscal year 1999.

Restore Maintenance and Improvement Funds +14.2 million

The Administration has proposed a $4.2 million cut in Maintenance and Improvement funds. Decreased funding in this area will certainly jeopardize the investments in health care facilities nationwide. It is imperative that the $4.2 million proposed cut be restored, and an additional $10 million be added to address the backlog of maintenance and improvement projects.

QUINAULT INDIAN NATION: TRIBAL PRIORITIES

BIA SELF-GOVERNANCE: Tribal Priority Allocations +$500,000 Public Safety and Justice: Law Enforcement

Nation-wide, current funding levels only provide marginal levels of law enforcement services. The Quinault Nation supports the joint initiatives undertaken by the Office of Tribal Justice in the Department of Justice and the Bureau of Indian Affairs. The additional funds will help address community law enforcement needs. However, these services must include protection of reservation natural resources because they are the foundation of our economy and the cultural identity of our people and our sovereign status derive in large part from the land.

BUREAU OF INDIAN AFFAIRS: Construction: Courthouse Facility +$100,000

The Quinault Indian Nation court house has sustained considerable damage in recent storms on the coast this past winter. Our court staff have been working in cramped quarters and now they must work under leaking roofs, falling ceilings and unstable flooring. We are requesting partial funding of $100,000 for construction of a new court house facility.

NATIONAL PARK SERVICE: Historic Preservation Fund +$300,000 Quinault Cultural Preservation Center (QCPC)

We support the "Save America's Treasures" proposed program and request a $300,000 earmark out of that fund to construct a Quinault Cultural Preservation Center and Museum.

INDIAN HEALTH SERVICE: Community Health Programs +$250,000 Senior Citizens Assisted Living Program

Our Seniors are in urgent need of 24-hour care in both villages on the Quinault Reservation. We request an earmark of $250,000 initial funding and $150,000 on a recurring basis to establish a senior citizens assisted-living program in the villages of Queets and Taholah.

BIA Self-Governance—Tribal Priority Allocations:

Support for an increase in the total TPA appropriation to ensure that tribal programs are not diminished. Each year, the actual dollars available to TPA has been decreased and inflationary costs have not been considered. In a time of economic disparity between rural areas and urban areas, the failure to keep pace with the actual funding needs has caused a reduction in tribal services for all tribes.

INDIAN HEALTH SERVICE: Fund Inflationary Costs +$15 million

Last year, the IHS received only a 2.2 percent increase over 1997 resulting in over $100 million in mandatory costs being unfunded. In fiscal year 1997, Congress funded less than 50 percent of mandatory pay increases, and no unavoidable inflationary cost increases, requiring the Agency to absorb an additional $50 million. During fiscal year 1999, the proposed budget is only 1 percent over fiscal year 1998. The repeated absorption of costs due to unfunded inflationary costs have eroded tribal and agency budgets to the point of jeopardizing medical care provided through Indian Health programs.

INDIAN HEALTH SERVICE: Fund Mandatory Costs +$125 million

The Administration has proposed a flat budget for the Indian Health Service (IHS) for fiscal year 1999. As a result every health program faces a shortage of funds to covering mandatory, inflationary cost and population growth increases. In the Northwest, where Indian health programs must purchase all inpatient and specialty care from private providers, it is particularly important that inflationary cost increases for the Contract Health Services program be funded. In past years, deferred medical and dental services in the Northwest have been as much as $4 million annually. In order to prevent further erosion of health services, we request an increase of $125 million to fund mandatory costs in fiscal year 1999.

Elevation of the Indian Health Service Director

Earlier this year, S. 1770 was introduced by the Senator John McCain. This bill would elevate the Director of the Indian Health Service to the Assistant Secretary

level within the Department of Health and Human Services. The Indian Health Service is the largest direct health care provider within the Department. Tribes look to the Director of Indian Health Service to insure that issues unique to Indian Country are taken into consideration when Department policy and regulations are developed. To do this effectively, the Director needs to report directly to the Secretary and serve on the top policy making level within the Department.

PREPARED STATEMENT OF ROBERT GUENTHARDT, CHAIRMAN, LITTLE RIVER BAND OF OTTAWA INDIANS OF MICHIGAN

This testimony provides the views of the Little River Band of Ottawa Indians of Michigan on the President's Budget Request for fiscal year 1999 for the Bureau of Indian Affairs and the Indian Health Service.

The Little River Ottawa is a relatively small Tribe which was restored and reaffirmed by Congress just three and a half year ago. Because the Tribe's restoration Act was passed in September of 1994, the Tribe did not receive funding in fiscal year 1995. Our first BIA funding was received in fiscal year 1996 under the "new tribes" program. Unfortunately, because of a misunderstanding when the BIA made its first budget estimate for my Tribe, we have been dramatically underfunded in comparison to other Tribes in the Minneapolis Area, including two Michigan Tribe which received federal recognition when we did. This funding inequity has hindered the Little River Ottawa Tribe's ability to fulfill the purposes of the "new tribes" program and, if it continues, will seriously limit our ability to sustain even existing programs, and that is the problem we are addressing today. We ask for this Subcommittee's assistance in making sure the BIA corrects this problem in fiscal year 1999. Specifically, we request that the Committee either provide an add-on of $413,000 to the fiscal year 1998 enacted level or $355,500 to the fiscal year 1999 proposed amount for the Tribe under the TPA account, or that the Committee direct the BIA to make this money available to the Tribe out of regular TPA funding.

The Little River Ottawa Band is the political successor to nine bands of the Grand River Ottawa people whose village sites were located in what is now a nine-county area in Western Michigan. At one time, these Grand River bands had reservations in the two northernmost counties of tribal territory, namely Manistee and Mason. Now about 500 of the tribe's members currently reside in these two counties. Other tribal members reside in urban areas, including Grand Rapids, Detroit and Lansing. Most tribal members, however, continue to live near traditional village sites in the nine-county area. Our membership now totals 2,200. Unfortunately, when the BIA first contacted the Tribe to get enrollment numbers for appropriations planning, tribal officials misunderstood the nature of the request and provided the BIA with the number of files then-approved, rather than projected enrollment, was provided. As a result of this misunderstanding—confusion about "actual" enrollment versus "projected" enrollment—the Tribe's appropriations were based on an enrollment of 650. This created a funding inequity from which the Tribe is only beginning to recover. In 1996, the Tribe received $330,000 while Little Traverse and Pokagon, which have enrollments only slightly higher than Little River, received $1.2 million and $1.3 million respectively.

In fiscal year 1997, the Tribe's funding level was adjusted upwards but as the following table indicates, in fiscal year 1998 the Tribe is still funded at a rate significantly lower than similarly situated Tribes in Michigan.

Tribe	Number of members	Appropriation	Amount per member
Little River	2,200	$671,000	$305
Little Traverse Band	2,428	1,242,000	511
Pokagon Potawatomi	2,700	1,330,000	492
Grand Traverse Band	2,930	1,640,000	560
Bay Mills Community	1,143	723,000	632

Because of compacting problems with the State of Michigan, of the five tribes listed in the table, only Bay Mills and Grand Traverse are conducting gaming. Thus, Little River, like Little Traverse and Pokagon, does not have gaming revenues to supplement federal appropriations for tribal programs for its members.

Due to limited funding, the Tribe's recruitment of staff and program development was slowed. With the federal funds it has received, the Tribe has now hired a minimal core staff and has developed several programs to address the service needs of

tribal members. The Tribe has established its Tribal Court, its governmental offices, a health clinic and a community center and has begun to reacquire land within its historic Reservations. Unfortunately, this progress may be short-lived. Unless we have a funding increase of $413,000 in fiscal year 1999, the Tribe will have to cut back or eliminate most of its programs.

Under a court-ordered settlement, the Tribe will also begin negotiations to assume management responsibility for its reserved Treaty fishing and hunting resources. The Chippewa-Ottawa Treaty Fishery Management Authority (COTFMA) will be requesting additional funding to allow the Little River Ottawa to have access to the same resources as other treaty fishing Tribes.

To bring Little River up to a funding level comparable to that of the other Tribes in the Minneapolis Area, including the Tribes who were also restored in 1994, would require an additional $413,000. Without this funding increase we will have to eliminate the following programs: child welfare services ($10,800), social services ($48,360), higher education grants and GED completion programs for 60 students ($134,000), vocational education ($14,500), Johnson-O'Malley supplement for 140 children ($40,000), housing improvement for over 100 households ($70,000), Court Services ($50,400) and Law Enforcement ($61,249). Without an increase, the Tribe will be faced with the Hobson's choice of either eliminating all these critical services to Tribe members or eliminating certain programs and some of the 15 BIA-funded staff positions.

The Tribe believes this situation has reached a critical state. In fact, and I do not say this lightly, our very survival as a tribal government depends upon adequate funding provided to us by the Bureau of Indian Affairs from appropriations made by the Congress. We thank you for any help you can offer to ensure that our funding needs in fiscal year 1999 will be met.

Thank you again for the opportunity to bring this important matter to the attention of the Members of the Subcommittee.

PREPARED STATEMENT OF DAVID OLD BEAR, SR., TRIBAL COUNCIL CHAIRMAN, SAC AND FOX TRIBE OF THE MISSISSIPPI IN IOWA

Introduction

Distinguished members of the Senate Appropriations Subcommittee, thank you for giving our tribe the opportunity to present testimony regarding the President's budget request for fiscal year 1999 as it relates to the Department of Interior, Bureau of Indian Affairs. My name is David Old Bear Sr. In addition, I represent the Meskwaki Nation, more commonly recognized by the federal government as the Sac and Fox Tribe of the Mississippi in Iowa. Our tribe is located on the Meskwaki Indian Settlement in Tama County, in the State of Iowa. Our tribe does not reside on a reservation but on land that our tribe has purchased through the years since 1857. The Bureau of Indian Affairs has placed our land into trust status.

The Presidents Fiscal Year 1999 Budget Request for the Bureau of Indian Affairs

The President's fiscal year 1999 budget calls for a budget increase of approximately $142.1 million over the fiscal year 1998 enacted level for the Bureau of Indian Affairs. We believe that the President's request has taken a very positive step in reversing the decline in funding for Indian programs that has been experienced since fiscal year 1996.

Of particular interest to us are the Tribal Priorities Allocations (TPA). The Administrations budget includes a $34 million increase over fiscal year 1998. It does not include a general increase for TPA. The bulk of increases contained are for supporting the bureau's goal to increase tribal operations of programs, to increase contract support funds for ongoing contracts, and other new initiatives. Our tribe depends on the Tribal Priorities Allocation to support our on-going services at the tribal level for programs such as housing, road maintenance, education, child welfare, and other tribal government services. TPA gives us the flexibility to prioritize funds among these programs according to our critical needs. The drastic cuts to the TPA in fiscal year 1996 severely affected our tribal programs and services as the allocations to our tribe were already at a funding level that was inadequate to meet our needs. Our tribe has not had the opportunity to benefit from other programs included in the TPA such as law enforcement, general assistance, and economic development. Continued decreases in TPA will only assure that we never will see the benefits available from these programs and will serve to decrease the minimal benefits that we enjoy now. We urge Congress to support the Presidents requested TPA increase beyond its current enacted level.

Another major concern for our tribe is in the area of BIA Construction funding. The President's budget request includes a $27 million increase over that enacted in fiscal year 1998. Over half of the requested funding is for education construction. In all, $37.4 million is requested to complete three (3) facilities on the approved priority list. Our Sac and Fox Settlement School is one of these schools. Our original facility that was built in 1937 has structural and code deficiencies that threaten student safety and are not adequate to handle our rising student enrollment and it is not conducive to learning. Funding for site preparation was appropriated in fiscal year 1998. Appropriations in fiscal year 1999 to complete the construction and will bring closure to our 29 year quest to provide a safe, unique and effective educational experience for our children. We also realize that we are not the only tribe in the country who has the need for educational facilities and urge Congress to support the President's request for BIA construction projects.

In addition, in conjunction with the funding for Construction funding for educational facilities we support the increase of $26.5 million over fiscal year 1998 for BIA School Operations. The education of our children is dependent on funding from the Bureau of Indian Affairs. The increases in student population in the bureau School system coupled with decreases or no increases in funding drastically impact the quality of education that can be offered at schools such as ours. Our funding level is already at approximately half of the national average per pupil expenditure. We urge Congress to join the Administration in its commitment to address the educational needs of tribes and support the President's request for fiscal year 1999 for all Indian Educational programs.

This concludes the testimonial for the Sac and Fox Tribe of the Mississippi in Iowa.

PREPARED STATEMENT OF GERALD J. JONES, TRIBAL CHAIRMAN, PORT GAMBLE S'KLALLAM TRIBE

Summary of Port Gamble S'Klallam Tribal Priorities

Shellfish and Endangered Species Funds.—Request: $420,000 be added for implementation of the *U.S.* v. *Washington* shellfish decision and for salmon recovery efforts necessitated by Endangered Species Act listing of salmon runs.

Law Enforcement.—Request: $240,000 be added to fund additional police protection and to fund planning for a tribal jail facility.

Indirect Cost Funds.—Fully fund the BIA and IHS Contract Support pool for funding tribal Indirect Costs, as required by law.

Indian Tribal Justice Act Appropriation.—Appropriate the funds authorized under the Indian Tribal Justice Act of 1993.

Introduction

As Chairman of the Port Gamble S'Klallam Tribe from Washington State, I am submitting written testimony on behalf of my fellow elected Tribal Council members and on behalf of our people. We appreciate this opportunity to present testimony for the record on the fiscal year 1999 budgets of the BIA and IHS.

JUSTIFICATION OF PORT GAMBLE S'KLALLAM PRIORITIES: TRIBAL LEVEL

Shellfish and Endangered Species Funds.—We are requesting $420,000 be added for the Tribe to implement the recent *U.S.* v. *Washington* shellfish decision and the salmon recovery efforts necessitated by Endangered Species Act listing of salmon runs.

Early this year, the Tribe's treaty right to harvest shellfish was reaffirmed by the 9th Circuit Court of Appeals. However, the Tribe still cannot exercise this right unless it provides for the management and protection of the shellfish resource. The court decision requires the Tribe to collect and analyze data, conduct resource assessments, take measures to ensure the protection of public health and develop management plans with State agencies and private tideland owners.

The Tribe now has the opportunity to utilize many species of shellfish, including deep-water animals such as crab, shrimp, and geoduck. Effectively managing these "new" shellfish resources, while providing for their protection, will require additional technical expertise. The additional shellfisheries will also require expanded enforcement efforts and capability. The opportunity is also available for the enhancement of tidelands to increase shellfish production. This will benefit both Indians and non-Indians.

The Tribe cannot take advantage of the opportunity to harvest treaty resources unless it meets the court's requirements and it can't meet the requirements without funding assistance from Congress. The Tribe has imposed a tax on the harvest of

shellfish to fund a skeletal harvest program. This tax provides about $130,000 per year. This tax base cannot increase without opening new harvest opportunities. It is a "Catch-22" situation for the Tribe.

Of equal concern, two species of salmon in our treaty area were just listed as "threatened" under the Endangered Species Act (ESA). The ESA listing will have broad implications for tribal and non-tribal management of salmon. As co-managers of the salmon resource, the Tribe wants to be involved and is legally required to be involved in the development and implementation of plans to protect and recover depressed stocks of salmon. Unfortunately, the Tribe has virtually no tax base to support these activities because there can be no harvest of these species.

Continuation of the Tribe's salmon management program and the additional requirements of both the shellfish decision and the ESA recovery planning efforts require funding. A shellfish biologist, salmon biologist with a background in ESA issues, three technicians and the support services and equipment needed to carry out our duties under the law will require an additional $420,000. We will continue to contribute the proceeds from our harvest tax to the program. We are asking the Congress to fulfill the United States' trust responsibility for these treaty resources by providing us a chance to assist in the protection and recovery of our precious natural resources.

We also request your support of the Northwest Indian Fisheries Commission Request for Fisheries and Shellfish Programs.

Law Enforcement.—We are requesting $240,000 be added to fund basic police protection and to fund planning for a tribal jail facility.

Our community has been confronted with a number of serious, new crime issues over the past couple of years. The Tribe has launched a war on illegal drugs and against gang violence. These efforts have been undertaken in cooperation with local and federal law enforcement agencies. However, the Tribe continues to have a chronic shortage in police protection because there is not enough funding to provide salaries and equipment.

Our goal is simple: to provide 24 hour police coverage on the reservation. This requires a minimum of six officers. We are requesting $160,000 of the $240,000 to fund additional officers, their equipment and training.

The Tribe currently contracts with neighboring counties for jail facilities. The nearest juvenile detention facility, an hour drive from the reservation, is filled to capacity most of the time. Adult jail facilities are frequently full as well, posing a safety threat to our police officers and to the community. This facility could provide jail services to six area tribes, increase employment and generate revenue by renting jail space to local jurisdictions. The Tribe would like to begin the process of planning a tribal jail. We are requesting the remaining $80,000 for the costs associated with this planning effort.

Indirect Cost Funds.—We are requesting that Congress fully fund the BIA and IHS Contract Support pool for funding tribal Indirect Costs. The Bureau of Indian Affairs refuses to request full funding even though payment of full Contract Support is required by statute and has been ordered by the court in *Ramah Navajo* v. *Lujan*. As a Self-Governance Tribe, we have assumed the responsibility to deliver governmental services directly to the people we serve. Self-Governance been a dramatic success on our reservation. The Tribe's management of tribal programs has resulted in considerable cost savings, allowing Tribal priorities to be more fully addressed.

The Indirect Cost (overhead) dollars that enable the Tribe to provide these services are critical to the economic stability of the Tribe. Each Tribe's Indirect Cost agreements must be approved by the Inspector General of the Department of the Interior. The costs are independently and rigorously audited each year.

For the past five years, the federal government has not fulfilled its legal obligation to fully fund the Tribe's Indirect Costs. We had nearly twenty-five percent of our overhead costs in the BIA cut in 1997. When our indirect costs are cut, we are forced, by the formula, to cut direct services to Tribal members. The gains we have achieved through Self-Governance are being eroded by this lack of funding. Our Tribe will be making cuts in already underfunded programs including daycare, education and senior citizen housing. Our food bank and emergency shelter programs face elimination.

This is no way to run a government or a business. We must have a stable base in order to properly serve our people. This means stable funding of overhead costs. There is not one contractor for the federal government that can remain in business if their overhead costs are not covered. Neither can Tribes.

Indian Tribal Justice Act Appropriation.—The Indian Tribal Justice Act was enacted by Congress in 1993. Four years later, Congress has still not appropriated the funds authorized under the Act. We urge this Congress to do so.

Congress made specific findings in section 2 of the law that, (1) The United States has a trust responsibility to protect the sovereignty of each tribal government, (2) That "* * * tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety * * *" and (3) That tribal justice systems are inadequately funded.

The Port Gamble S'Klallam Tribe is proud of its court's ability to provide high quality justice. However, tribal courts are constantly under attack by critics who believe that individual civil rights are compromised in tribal justice systems. While we see no evidence of this in our court, a chronic lack of funding in our court and in all tribal courts hampers the efforts of tribal governments to provide all the necessary judicial services to their people.

Our tribal enforcement and justice officials work in concert with federal and state law enforcement, prosecutors and courts to address the inter-jurisdictional problems associated with enforcement of child abuse, drug crimes, and child support on the Reservation. This work requires having personnel available on nights and on weekends as well as the during the work week. The court hears cases in twenty subject matter areas including criminal, civil, traffic, child welfare, juvenile, domestic violence, hunting, fishing, housing, and adult protection.

Like all courts, ours requires a judge, prosecutor, Court Administrator, court clerk, court compliance officer and support staff. The court facilities require space and equipment for the confidential work of the court which can't be shared by other tribal departments. We are nearly two hours from the nearest law library and must have an updated reference base including internet access located on site for the court's use. The court must also provide an effective appellate system to ensure due process.

The Indian Tribal Justice Act was enacted to address precisely these basic needs. It is imperative that Congress appropriate funds for the Indian Tribal Justice Act.

We also request your support for the Northwest Intertribal Court System request for funds. As members of this consortium, our Court funds depend directly on the appropriation for NICS.

Thank you for this opportunity to submit testimony.

PREPARED STATEMENT OF EUGENE "BUGGER" MCARTHUR, TRIBAL CHAIRMAN, WHITE EARTH BAND OF CHIPPEWA INDIANS

Mr. Chairman. I welcome this opportunity to provide the Committee an assessment of the challenges faced by the People of White Earth and to share with you our views about the overall needs in Indian country and, specifically, the needs of the White Earth Band.

WHITE EARTH CADASTRAL SURVEY PROJECT

I begin my testimony on a seemingly small, but important matter.

A Cadastral Survey Project Office was established on the White Earth Reservation in January 1985 in order to survey and monument the land boundaries and corners of the Reservation. The purpose of this project was to help the Band gain a clear picture of the our land holdings so that we can most effectively utilize its cultural, economic and natural resources.

From 1984 until 1995, the BIA had funded this office through the Minneapolis Area Office land survey budget. In 1995, the Bureau of Indian Affairs, the White Earth Band of Chippewa Indians and the Bureau of Land Management entered into a tripartite agreement in which each party agreed to dedicate resources to continue the work of the White Earth Cadastral Survey Office.

The funding for this agreement was shared accordingly:

Fiscal year	Band contribution	BIA contribution	BLM contribution	Total
1995	$38,000	$29,000	.....	$67,000
1996	50,000	18,000	.....	68,000
1997	14,000	28,500	$38,000	80,500
1998	85,000	.....	.....	85,000

I am sharing with you the history of this agreement, because this fiscal year the Bureau did not include any funding for this project for fiscal year 1998.

While we have decided to maintain this program during fiscal year 1998 by expending Band funds, I respectfully request that the Committee provide the Bureau

of Indian Affairs the necessary funding to complete this project, or insert language in the Committee Report directing the Bureau to keeps its agreement with the Band by continuing to fund the Survey Office until the work is completed.

JUSTICE AND PUBLIC SAFETY

The most pressing threat to our children's future is the intolerable level of violence that Indian people deal with on a daily basis. Too many of us, young and old alike, are being injured by violence and domestic abuse. Many of our children face the threat of violent death at the hands of a family member or as the result of a family feud.

While statistics indicate that the overall violent crime rate has dropped and the national murder rate is down 22 percent, murders in Indian country have increased 87 percent.

Tribal, local and national law enforcement agencies correctly attribute the primary cause of this rise in violent crime in Indian country to inadequate law enforcement funding.

Through the help of a $1 million grant from the Justice Department's Office of Community Oriented Policing Services (COPS), White Earth has formed its own police force. Additionally, the Tribal Council has recently enacted public safety codes, and we have established an independent court. This combination of law enforcement and proper justice under the law is a gigantic step forward for our people and our sovereignty; however, the Congress needs to do its part to stem the growing tide of crime and lawlessness in Indian country.

So far, Congress has failed to appropriate any monies to implement the Indian Tribal Justice Act of 1993. As you know, this Act authorized the appropriation of $58.4 million to help tribes fund tribal courts. The Administration's budget for fiscal year 1999 includes $11.2 million under BIA, and $10 million under the Department of Justice, to help tribes establish and operate Indian tribal courts. While we laud this initiative, I hope you will fund this program to the extent authorized by the Indian Tribal Justice Act.

INDIAN HEALTH SERVICE

There can be no doubt in anyone's mind that the alarming degree of sickness and disease in Indian country is not acceptable. Our people are simply not receiving adequate health care.

Neither past Congressional appropriations, nor the President's fiscal year 1999 budget request, comes close to funding the scope of work required for the Indian Health Service to markedly improve the health and well-being of Indian people.

The President's request for $2.1 billion for IHS represents an increase in services funding of less than 1 percent over the current level—a miserable sum compared with the major increases in federal spending for non-Indian health care.

Like all of Indian country, White Earth has an extraordinary number of Band members who do not have sewer and water systems. The Indian Health Service has simply not received the support in Congress for adequate sewer and water funding. I am very disappointed that this Administration has decreased sanitation facilities by $5 million, and I strongly urge you to increase funding for the construction of sewer and water facilities for our people.

CIRCLE OF FLIGHT

As you know, one of the most successful wetland and waterfowl protection/enhancement programs in the nation today is the tribally-managed Circle of Flight program.

Funding of this program since 1991 has enabled tribes to implement 36 different projects on 25 reservations in the Upper-Midwest.

At White Earth, we have integrated the Circle of Flight and the Northern Tallgrass Prairie Restoration Projects to more effectively preserve essential prairie wildlife populations. The White Earth biology department has restored seven waterfowl ponds and cut back overgrown brush to promote grass and forbe regeneration.

In addition, the Band has worked cooperatively with the U.S. Fish and Wildlife Service in Detroit Lakes, Minnesota to harvest and process native tallgrass from waterfowl productions areas, in order to reseed additional areas under tribal management.

I urge you to fully fund Circle of Flight in fiscal year 1999 in the amount of $1,038,000.

BUREAU OF INDIAN AFFAIRS

Finally, we support the President's request to increase the Bureau's fiscal year 1999 budget by $142 million. However, the level of funding requested by the administration of $110 million for Indian Programs Operation is not adequate to meet the task of self-determination, which this administration has traditionally supported.

We also laud the President's initiative to improve funding for BIA school construction. While this funding does not directly impact the reservations in the State of Minnesota, we nonetheless encourage the Committee to fund this increase.

PREPARED STATEMENT OF TOM MILLER, ADMINISTRATOR, HANNAHVILLE INDIAN COMMUNITY TRIBAL SCHOOL

Mr. Chairman and members of the Subcommittee on Interior and Related Agencies, I am Tom Miller, School Administrator for the Hannahville Indian School on the Hannahville Potawatomi Reservation in the upper peninsula of Michigan. On behalf of the Minneapolis Area Community Tribal Schools, Inc. (MACTS) I would like to thank you for allowing me to submit testimony in support of a $250,000 demonstration project through the Facility Management and Construction Center (FMCC), BIA, to provide facility inventory updates and plan preventative maintenance schedules through the Hannahville Indian Community Tribal School to the twelve Minneapolis area schools.

Hannahville Indian School will distribute the services to the schools through the MACTS system. The MACTS organization has been in existence since 1984 assisting all Minneapolis Area tribal schools and up to fourteen tribal schools outside of the Minneapolis Area.

In this demonstration program, MACTS will provide technical assistance to the twelve Minneapolis Area Tribal Schools. The technical assistance will be in the areas of Facility Updating and Planned Maintenance Scheduling. Funding would be directed from Operation and Maintenance funds within the Facility and Construction Center (FMCC) through the Minneapolis Area Facility office.

In the past, the schools have contributed funding for MACTS to provide partial services but there is a need for additional funding so that complete services can be implemented.

Currently, the FMCC has the responsibility to work with the Tribal Schools across the nation in updating facility inventories and developing Planned Maintenance Schedules. This service has not been provided. FMCC has recently expressed an interest to provide these services, but they have neither the expertise nor the experience of the MACTS system.

The services are critical to the school maintenance and replacement process. It is our experience that planned preventive maintenance is often the most convenient area to overlook in managing educational facilities. In fact, this area is the single most important factor in maintaining a quality facility and extending the life of the building. It's a simple fact of "pay me a little now or pay me a lot later."

The facility inventories of each specific facility must be accurate and correct if the school is to generate the full amount of operation and maintenance funding. Each facility director will be trained on how to update his own inventory and how to access the FACCOM system for validation.

With an accurate facility inventory, the planned maintenance schedule can be developed and made site-specific. This schedule is crucial in allowing the schools to plan and budget for the maintenance of their buildings. Both major and minor repairs and maintenance items can be planned and not just reacted to, as is done in many of the schools. The nature of the plan is to "spend a little now" to maintain the buildings properly and save the schools from "paying a lot later" due to improper planned maintenance schedules.

This allows the schools to effectively plan for building replacement at the end of the life of the building. The BIA can use the information generated by these plans to budget for the eventual replacement of these schools. Also, it will allow Congress access to accurate information about the state of facilities in the Minneapolis Area schools. The schools and MACTS organization will be linked to FMCC and OIEP by computer for timely information transfer.

The schools now receive inadequate maintenance dollars from the O&M program of the FMCC based on an incomplete inventory of the facility. MACTS has developed a very complete and more effective inventory method that has the effect of demonstrating an accurate and larger usable square footage upon which reimbursement is awarded. This has resulted in increased funding for preventative maintenance. Not surprisingly, the prospect of increased funding has brought resistance from FMCC.

But this resistance is short-sighted. Without adequate funding for preventive maintenance, along with timely Improvement and Repair Projects, there will be more costly repairs and premature replacement not far down the road. Preventive maintenance is by far the highest value for the dollar.

And most importantly, Mr. Chairman, this is not about dollars. Poorly maintained buildings have a real and negative effect on education.

We have formally requested FMCC to allow MACTS to provide this service. They agree that the service is needed and that it would unquestionably help the schools. However, they need direction from Congress to initiate a demonstration program.

This demonstration program will allow the schools in the MACTS system to better prioritize educational spending, putting adequate maintenance at the top of the list.

Thank you again Mr. Chairman for allowing me this opportunity to submit testimony for the hearings record.

PREPARED STATEMENT OF YVONNE NOVACK, NIEA PRESIDENT, NATIONAL INDIAN EDUCATION ASSOCIATION

The National Indian Education Association (NIEA), the oldest national organization representing the education concerns of over 3,000 American Indian and Alaska Native educators, school administrators, teachers, parents, and students, is pleased to submit this statement on the President's fiscal year 1999 budget as it affects Indian education. NIEA has an elected board of 12 members who represent various Indian education programs and constituencies from throughout the nation. Every year, NIEA holds an annual convention which provides our members with an opportunity to network, share information, and hear from Congressional leaders and staff as well as federal government officials on policy and legislative initiatives impacting Indian education.

The Federal government has a trust responsibility, both legally and morally, to provide educational services for American Indians and Alaska Natives. This responsibility has been affirmed through Presidential Executive Order, Supreme Court decisions, treaties, federal statutes and the U.S. Constitution. NIEA firmly believes that this responsibility should be maintained by the Congress and the other branches of the Federal government.

We commend President Clinton for a budget that emphasizes the importance of education for all citizens of this country, including the First Americans. There are programs within the Bureau of Indian Affairs, such as funding for School Operations, school construction and repair and higher education which deserve consideration for possible increases. President Clinton has proposed several new education initiatives for fiscal year 1999 which will require a major investment of federal dollars, if approved by Congress. Administration proposals like the School Construction Tax Credit and the Class-Size Reduction Initiative are desperately needed by schools operated and funded by the Bureau of Indian Affairs (BIA). The investment proposed for BIA Education Construction and Facilities Improvement and Repair will help to partially meet the huge backlog of projects now estimated at over $800 million.

In April of 1994, President Clinton and tribal leaders met to discuss a variety of issues including, briefly, education. Immediately following that historic event, Indian educators were challenged by the White House to come up with a comprehensive approach to the federal government's administration of Indian education programs. That challenge was taken up and has been successfully met in a way far exceeding even our expectations. For the past three years, NIEA has worked cooperatively with the National Congress of American Indians (NCAI) and the Native American Rights Fund (NARF) in developing an Executive Order on a Comprehensive Federal Indian Education Policy Statement (CFIEPS) which we are urging the Clinton Administration to issue.

The intent of this policy is to formally set national guidelines for Indian education programs which would be applicable to all federal agencies. The uniqueness of this document is that it is tribally-endorsed, encompasses all education levels, and reflects the historical nature of federal Indian education policy. These guidelines are broad enough to define and direct federal agency implementation of all congressional and executive branch level Indian education initiatives including budget appropriations. The CFIEPS has been forwarded to the Clinton Administration with several House and Senate Members endorsing the proposal. We urge this subcommittee's formal endorsement of a Presidential Executive Order on Indian Education. Below are our funding recommendations for the Bureau of Indian Affairs.

Bureau of Indian Affairs (BIA)

NIEA is pleased that the BIA's fiscal year 1999 budget for School Operations includes a $26.5 million increase over 1998. The $486.8 million investment in American Indian youth who attend BIA schools reflects the Administration's commitment to the Government-to-Government relationship that exists between the tribes and the federal government. The BIA educates approximately 12 percent of the American Indian K–12 population. We urge this subcommittee to support this needed increase. NIEA also supports the recommendations from the October 1997 Method of Financing BIA-Funded Schools Study that was produced under contract through the Department of Interior. One of the study's recommendations included higher future funding levels under ISEP in order to stay level with inflation, comply with BIA academic standards, and to reach parity with public schools. According to the study's ISEP estimates, an additional $21 million needs to be requested in the fiscal year 1999 budget to meet a minimum level of support. As shown below, NIEA fully supports this amount.

Tribal Priority Allocations (TPA):

Adult Education.—Adult Education continues to be one of the most underfunded Indian education programs despite the fact that it is desperately needed to enable adult Indians who did not finish high school to obtain their General Educational Development (GED) degree. The program's funding levels over the past 10 years have fluctuated with fiscal year 1996 being the highest at $3.6 million. The fiscal year 1999 request of $2.7 million represents a 25 percent decrease since 1996. The BIA estimates at least 20,000 Indian adults participate in the program.

NIEA believes the adult education program needs to be funded at no less than $4 million annually. The elimination in 1996 of the Adult Education Program in the Department of Education's Office of Indian Education (OIE), puts a strain on the limited resources of the BIA and does little to focus financial attention on Indian adults who do not live on reservations. Older Indian adults tend to not attend state-operated programs and are more comfortable with Indian instructors.

Johnson-O'Malley (JOM) Program.—The fiscal year 1999 request is $18 million, an $864,000 increase over the fiscal year 1998 level. The highest level the JOM program has received this decade was in fiscal year 1995 when it was funded at $24.4 million. NIEA supports funding for JOM at a level of $24 million to meet the increasing student population. The JOM program provides supplemental educational services for 272,000 American Indian students in 23 states. We understand that JOM contractors are unable to add any new schools to their current JOM programs without lowering the amount other programs receive. NIEA requests that the JOM appropriation level be raised and that any caps related to student count increases be eliminated.

Scholarships.—NIEA supports the fiscal year 1999 request of $29 million for undergraduate scholarships for American Indians, which represents a $488,000 increase over fiscal year 1998. Over the past ten years, the average allocation for Indian scholarships was $28.6 million. Out of an estimated 12,300 requests for scholarship assistance, 9,800 students will be served through this tribal scholarship program. The BIA estimates the unmet need is estimated at $25 million for 1998. NIEA firmly believes that the trust responsibility for Indian education extends through postsecondary education. One of NIEA's major priorities is to increase funding for all postsecondary education programs for American Indians and Alaska Natives. 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. As mentioned below, funding for BIA's only graduate level scholarship program has operated at half funding capacity for four consecutive years.

Other Programs

Indian School Equalization Program (ISEP) Formula.—For fiscal year 1999, NIEA requests a funding level of $329 million. This would require an additional investment of $21 million over the President's request of $308.5 million. Funding for this program provides formula-based assistance for 185 BIA-operated, grant, and contract elementary and secondary schools. NIEA supports a higher ISEP funding amount of $329 million, as recommended by the October 1997 Method of Financing BIA-Funded Schools Study, but no less than the President's $308.5 million request. The President's request would provide $3,125 per Weighted Student Unit (WSU) compared to $3,009 per WSU in school year 1997–98. NIEA continues to support a funding level of $3,500 per WSU—a number we have proposed since fiscal year

1993. The proposed $3,125 per WSU is still far below the average per student expenditure by public elementary and secondary schools, an amount reported by the Department of Education's National Center for Education Statistics (NCES) to be $7,317 per student in school year 1996–97.

Family and Child Education (FACE) Program.—NIEA supports the fiscal year 1999 request of $5.5 million for BIA's early childhood development program. The fiscal year 1999 funding level represents a $42,000 increase over 1998, which previously had not increased for three years. We request that the FACE program be funded at the fiscal year 1995 level of $6.5 million. Currently there are 22 FACE sites, however the BIA could use a FACE program at each of its 82 elementary schools if the program were sufficiently funded.

Student Transportation.—NIEA supports the fiscal year 1999 request for $36.5 million for student transportation. In fiscal year 1997–98 the BIA-funded transportation cost was $1.98 per mile with 15,897 miles (School Year 1996–1997) estimated being 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 $0.96 below the national per mile average.

Administrative Cost Grants.—NIEA supports the fiscal year 1999 request for Administrative Cost Grants of $46.69 million. At least 10 of the remaining 49 BIA-operated schools an the Navajo Nation have indicated that they will convert to grant status after July, 1997. The conversion cost is projected at $4.6 million. The need for additional Administrative Cost Grants has been increasingly evident as more schools convert from BIA to tribal control. Therefore, the BIA may need another $1.6 million for this conversion.

Education Facilities Operation and Maintenance (O&M).—The fiscal year 1999 request for Facilities O&M is $77.4 million, a $2.7 million increase over fiscal year 1998. The Facilities Operation and Maintenance Program provides essential operating expenses and facilities for all Bureau funded schools. NIEA supports this request that would help to cover the maintenance needs of 2,313 schools and buildings in the Bureau system.

Tribal Departments of Education.—Although no funding is provided in the President's budget, NIEA recommends at least $3 million for tribal departments of education, which are authorized by Public Law 103–382, the "Improving America's Schools Act (IASA)." We believe that sufficient funding should be provided to assist tribes in planning and developing their own centralized tribal administrative entities to accomplish the original intent of the 1994 Act. This would be appropriate given the recent trend to convert more schools from BIA to Tribal control.

Tribally Controlled Community Colleges

Tribal Colleges/Post Secondary Schools.—The President's fiscal year 1999 request for Tribally-Controlled Community Colleges is $35.4 million, a $5.5 million increase over fiscal year 1998 and represents a substantial increase over previous years. NIEA supports the American Indian Higher Education Consortium (AIHEC) recommendation of $37.4 million which provides for an additional $2 million for TCCC Operating Grants. NIEA also supports an additional $2 million for tribal college endowments, $2 million for economic development, and $1.8 million for emergency facility repair and renovations and $214,000 for Technical Assistance grants in the fiscal year 1999 budget.

In addition, tribal community colleges have never received facilities construction or renovation/repair money from the BIA. The national average for Full-Time Equivalent (FTE) funding at mainstream community colleges is approximately $6,200 per year. The level of FM funding for some special population colleges is approximately three times that which is provided to the tribal colleges.

Furthermore, NIEA supports the separate funding levels in fiscal year 1998 for Bureau-funded post secondary vocational institutions. This includes Haskell Indian Nations University at $11.6 million, Southwest Indian Polytechnic Institute (SIPI) at $4.6 million, the Institute for American Indian Arts (IAIA) at $4.25 million, and the United Tribes Technical College (UTTC) at $2.5 million.

Special Programs and Pooled Overhead

Graduate Scholarships.—The Administration request for Graduate Scholarships in fiscal year 1999 is $1.33 million, which is the same as the past three fiscal years. 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. The program, which is administered by the American Indian Graduate Center (AIGC) of Albuquerque, New Mexico, has been underfunded since

its founding in 1969. During the past ten years, the highest level of funding for this program was $2.6 million in fiscal year 1995. For school year 1997–98, the actual unmet need for Special Higher Education Scholarship recipients was $5.7 million, which means that even with this assistance, Indian students must pursue other sources of funding to complete their higher education package. 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 scholarship funds increase. This program funds students in 27 states with 128 tribes represented. No other federal graduate level scholarship program, other than the Indian Health Service Scholarship Program, specifically for American Indian students currently exists.

Education Construction

Special Note: NIEA is aware that Senators Pete V. Domenici and Tim Johnson were able to increase the budget allocation for BIA school construction and repair from the President's request of $86 million to $166 million in the fiscal year 1999 Budget Resolution. NIEA fully supports their efforts on behalf of the unmet BIA school construction needs. We urge this committee to fully support the higher amount for education construction projects. Below are NIEA's funding recommendations prior to Senators Domenici and Johnson's recent action.

Replacement School Construction.—NIEA supports the fiscal year 1999 request of $37.4 million for Replacement School Construction, which is $18.2 million more than 1998. These funds are earmarked to complete construction of the Seba Dalkai School, the Sac and Fox Settlement School and the Pyramid Lake High School. NIEA supports this request as the Interior Department strives to make a targeted approach to the severe backlog of construction projects at Indian education facilities.

Education Facilities Improvement and Repair (FI&R).—NIEA supports the fiscal year 1999 request of $46.2 million, which is $14 million over the 1998 appropriation. The backlog under this program, however, is over $800 million which would take over seventeen years to complete at the current rate of funding. NIEA urges the Committee to consider additional, or supplemental funding to help meet this need.

Other

Institute of American Indian Arts.—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 1999. We support continued funding for IAIA at the fiscal year 1998 level of $4.25 million and request the Committee's support in continuing this institution through the year 2005. 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. NIEA joins with NCAI in opposing any decrease in funding and urge Congress to maintain the enacted level for fiscal year 1999 and beyond.

In closing, the National Indian Education Association would like to thank the Committee for allowing us the opportunity to present testimony on the educational concerns of American Indians and Alaska Natives. NIEA appreciates the financial effort the Administration is submitting for consideration by the Congress on behalf of Indian education. Our concerns reflect a need for a seamless educational effort that includes Early Childhood, K–12 and postsecondary education in reservation and non-reservation settings. Currently, we feel a deficiency exists with regard to postsecondary funding for all American Indian and Alaska Native students. All the educational efforts targeted for K–12 students mean little if insufficient resources are available once Indian students graduate from high school. Please contact NIEA if you need clarification on any item presented in our testimony.

PREPARED STATEMENT OF SAMUEL N. PENNEY, CHAIRMAN, NEZ PERCE TRIBAL EXECUTIVE COMMITTEE

On behalf of the Nez Perce Tribal Executive Committee, the governing body of the Nez Perce Tribe, I appreciate this opportunity to submit our views on the President's fiscal year 1999 budget request for tribal programs in the Bureau of Indian Affairs, Indian Health Service and other agencies of the Department of the Interior. This testimony will cover the following funding requests for fiscal year 1999 which are specific to the Nez Perce Tribe: $400,000 for our Wolf Recovery Project in the Fish and Wildlife Service; $200,000 in fiscal year 1999 through the BIA to assist in the establishment of a Bureau of Land Management cadastral survey station on the Nez Perce Reservation; $750,00 for equipment and $1.7 million for staffing through IHS under a joint venture arrangement; and $710,000 under the BIA's Water Rights Negotiation and Litigation Program within Indian Rights Protection for negotiation and litigation of the Snake River Basin Adjudication.

In addition, I would also like the Subcommittee to know of our support for several general funding increases recommended for fiscal year 1999 as follows: support for the increase of $34 million for the Tribal Priority Allocation account in the BIA over the fiscal year 1998 enacted level; support for the Administration's requested fiscal year 1999 increase of $3.5 million for the Water Rights Negotiation and Litigation Program to fund additional tribal water studies; support for the $25 million increase requested for BIA Law Enforcement; support for additional fiscal year 1999 funding over the budget request for the Indian Health Service, in order to address inflation, population growth, and staffing at new facilities; support for the $250,000 requested for Columbia River fishing access sites built by Army Corps of Engineers; and support for the $500,000 through the Fish and Wildlife Service that the Administration has requested for consultation with tribes as part of the recent Secretarial Order related to tribal treaty rights under the Endangered Species Act.

Wolf Recovery Program: FWS, $400,000

The Nez Perce Tribe is entering our third year of participation in the Wolf Recovery Program with the U.S Fish and Wildlife Service. This is the only effort in the nation in which an Indian tribe is leading the recovery effort for an endangered species. Through a contract with the Service, the Tribe produced and is implementing a Service-approved recovery plan for grey wolves in Central Idaho, which requires documentation of ten breeding pairs for three consecutive years. We are most appreciative that Congress provided $300,000 in fiscal year 1998 through the Service for this project.

However, the project is badly underfunded. The funding shortfall threatens our ability to adequately monitor the breeding pairs, which are scattered throughout 15 million acres, and to capture and install radio collars on any offspring produced this spring. The information gathered from these monitoring activities is fundamental to determining when the recovery standards have been met and essential in working with local communities and the livestock industry in addressing concerns regarding wolf recovery.

In addition, as the project enters its third year, we have found that many of the radio collars used for the monitoring of these wolves need to be replaced. Additional funding is necessary both to provide the new equipment and to locate, recapture and recollar the participating wolves in the wild. The latter involves the use of helicopters and retention of the few professionals licensed by FWS to do recapture work. As a result, we ask this Subcommittee to consider providing a level of $400,000 additional funding through the Fish and Wildlife Service for the Nez Perce Tribe's grey wolf recovery project in fiscal year 1999.

Cadastral survey station: BIA, $200,000

In 1997, we executed an interagency memorandum of agreement with the Bureau of Indian Affairs and the Bureau of Land Management to establish a cadastral survey station on the reservation. The agreement calls for a budget of $100,000 for fiscal year 1999, with an additional $450,000 to be spent over the following four years. Given the recent experience in only two of these disputes that became highly controversial, we believe that the expenditure of funds on a cadastral survey is the most cost-effective use of federal funds, with benefit to Indian and non-Indian landowners within the reservation.

At the current funding level, only approximately 10 percent of the estimated 400 field months of work will be completed under this agreement. We are requesting that Congress at least double the funding for the Nez Perce Survey Station, to $200,000 per year for the next four years. This will add another field survey crew, which will double the project output.

Joint venture funding: IHS, $2.45 million

The U.S. Congress recognized that the existing system for funding the replacement of health care facilities under the IHS Facilities Priority Construction List does not work for most tribes. It is difficult for our Tribe to make that priority list due to the criteria the IHS utilizes for new facility construction. Congress authorized "Joint Venture" programs under the IHS which provides that tribes who construct their own facilities with their own resources could count on the IHS to provide increased staffing and new equipment, as long as the tribe provides the facility under a no-cost lease agreement to IHS.

The Nez Perce Tribe has elected to construct replacement clinics at Kamiah and Lapwai, Idaho. Both clinics have been designated in need of replacement. The Lapwai clinic is too small, and experiences continued problems with its foundation. The Tribe will provide the land and construction costs. The Nez Perce Tribe seeks funding from IHS for the increased staffing and new equipment for these facilities,

which we hope to be completed by the end of fiscal year 1999. The estimated cost for start-up equipment is $750,000 and the annual recurring amount is $1.7 million.

Snake River basin adjudication negotiations funding: BIA, $710,000

Since 1987, the Nez Perce Tribe has been engaged in an adjudication of its water rights in the Snake River basin. This litigation, which involves the adjudication of all water rights in the Snake River, much of which lies within the aboriginal territory of the Nez Perce Tribe, is the largest water rights adjudication in the nation. We are represented in this proceeding by our own in-house counsel and by the Native American Rights Fund (NARF) in Boulder, Colorado. The stay that had been in place has been lifted and the parties have begun the discovery phase of the complex litigation.

For fiscal year 1999, we are requesting that $710,000 be made available in the BIA's Indian Rights Protection account, Water Rights Negotiation and Litigation Program for the Tribe's work and participation in the Snake River Basin Adjudication. These funds will cover the costs of on-going work by experts needed in the negotiation and litigation of the case including fisheries, economic and engineering experts as well as attorney and overhead costs in the adjudication.

We note that the Administration has requested an increase of $3.5 million for the Water Rights Negotiation and Litigation Program, and hope that Congress will approve this proposed increase, as well as specifying funds for our adjudication.

ITEMS OF GENERAL SUPPORT

The Nez Perce Tribal Executive Committee also hopes that the Congress will approve fiscal year 1999 funding increases for several other programs, which impact many tribes:

BIA Law Enforcement

We urge that the Subcommittee favorably concur with the Administration's request for $25 million for BIA Law Enforcement, to be used for criminal investigators, uniformed police and basic detention services, within the Special Programs and Pooled Overhead account.

The Nez Perce Tribal Police Department provides normal and emergency services to Indians as well as non-Indian citizens within the Reservation. Additional funds for law enforcement on our Reservation are needed for traffic enforcement and driver education efforts, in order to address a significant increase in traffic-related injuries and deaths over 1997.

The current Tribal Police Department cannot meet expanding services requirement because of lack of manpower. Currently, we have only six Patrol officers. The Position Manning Factor for the Patrol Officer to perform patrol duties 24-hours, seven days a week, for 52 weeks would require a staff of 17. We currently have no Communications-Dispatch Center (that function is provided by the County Sheriff's Office); the Position Manning Factor for the Dispatcher position would require 7 persons. The Tribe also does not currently have an Adult and Juvenile Detention Center, which would require a staff of 13. For the Nez Perce Tribe, an additional $733,000 in fiscal year 1999 is necessary to address these law enforcement program deficiencies. We strongly urge the Congress to provide additional funds through the BIA for law enforcement efforts.

IHS Mandatory Cost Increases

We are very disappointed with the Administration's fiscal year 1999 request for the Indian Health Service, which includes no increases for inflation, population growth, or staffing at new facilities. Most programs are level-funded at the fiscal year 1998 enacted amounts, and the fiscal year 1999 IHS budget request assumes an increase in Medicare/Medicaid and private insurance collections totalling $25 million.

The Nez Perce Tribe urges the Congress, to provide additional funds in fiscal year 1999, for the vital health service and health facility programs IHS operates. We also concur with the analysis of the fiscal year 1999 budget prepared by the Northwest Portland Area Indian Health Board, and support the recommendations proposed in their testimony presented to the House Interior Appropriations Subcommittee in March 1998.

Tribal Priority Allocations

We appreciate that the Administration continues to provide additional resources through the Tribal Priority Allocations account to assist tribal governments to address basic necessities and critical services within our communities. The President's fiscal year 1999 budget proposes an increase of some $34 million over the fiscal year

1998 enacted level. While much of this proposed increase is for specific programs, rather than as a general increase to the base funding of all tribes, we do support additional funds for TPA in fiscal year 1999.

In-Lieu Sites

We also support and urge the Subcommittee to approve the $250,000 requested by the Bureau to implement the terms of the 1995 Memorandum of Agreement between the Bureau of the Corps of Engineers for Columbia River fishing access sites built by the Corps. In that Memorandum, the Corps committed $250,000 annually for the costs of law enforcement, operation and maintenance, training and other maintenance needs.

ESA Secretarial Order

We support the $500,000 through the Fish and Wildlife Service that the Administration has requested for consultation with tribes as part of the recent Secretarial Order addressing the relationship of tribal treaty rights and the Endangered Species Act.

Thank you for this opportunity to submit written testimony to the Senate Interior Appropriations Subcommittee on behalf of the Nez Perce Tribe.

PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

Introduction

On behalf of the 31 Tribal Colleges which comprise the American Indian Higher Education Consortium (AIHEC), we thank the Subcommittee for allowing us this opportunity to present our appropriations request and justifications for the 26 tribally-controlled colleges funded under Public Law 95–471, "The Tribally-Controlled Community College Assistance Act." This program, also known as the "Tribal College Act," is administered by the U.S. Department of Interior, Bureau of Indian Affairs, Office of Indian Education Programs. Although AIHEC requests full funding for the Act's authorized programs, we realize that this request must be obtained over time. We ask that the Subcommittee fully support and build upon the President's Budget Request of a $5.5 million increase for core operations (Title I and II) fiscal year 1999. Specifically, we request an additional $6 million in funding for Title I, which provides core operational funding for 25 colleges, and an increase of $1.5 million in Title II funding, which provides core operational funding for Diné College. Additionally, we seek Title III funding at $2 million for endowments; Title IV funding at $2 million for economic development; $1.8 million under the facilities renovation authority of the law; and $214,000 for technical assistance.

The American Indian Higher Education Consortium was founded in 1972 by six of the first tribally-controlled community colleges. Today, AIHEC is a cooperatively sponsored effort on the part of 31 member institutions, all of which are fully accredited (with the exception of the four newest institutions that are accreditation candidates). The Tribal Colleges were chartered by their constituent tribes over the last 30 years to bring greater access to higher education opportunities to American Indians living on remote and economically disadvantaged reservations. Since their creation, the Tribal Colleges have been addressing the problems and challenges of our welfare system. Throughout their history, Tribal Colleges have provided GED and other college preparatory courses, probably more than any other community colleges in this country.

Our mission requires us to help move American Indian people toward self-sufficiency and help make American Indians productive, tax-paying members of American society. Fulfilling that obligation will become increasingly difficult as more and more welfare recipients turn to the Tribal Colleges for training and employment opportunities. Tribal Colleges serve 26,500 students each year, offering primarily two-year degrees, with a few colleges now offering four-year and graduate degrees. Together, they represent the most significant and successful development in American Indian education history, promoting achievement among students who may otherwise never know educational success.

First, this statement provides background information regarding the funding inadequacies with which Tribal Colleges have coped throughout their history. Next, we provide justifications for Tribal College funding increases and outline how new monies would be directed; and then we briefly summarize recent accomplishments.

Please note that AIHEC's membership also includes institutions of higher education funded under separate authorities, and AIHEC fully supports their independently submitted Interior Appropriations requests. These include: Haskell Indian Na-

tions University and Southwestern Indian Polytechnic Institute; the Institute of American Indian Arts; and United Tribes Technical College.

Background and Funding Disparities

The Tribal College Act provides funding for the operational budgets of one qualifying institution per tribe based on an American Indian enrollment formula. The Act does not provide funding for non-Indian students, although Tribal Colleges serve an increasing number of non-Indian students from the surrounding rural communities. However, federal appropriations have never matched the levels authorized under Title I. Funding for the colleges was first authorized at $4,000 per full-time equivalent Indian student, or Indian Student Count (ISC). In 1984, this level was raised to $5,820 per ISC, to more closely reflect the true cost of higher education at a community college. Due to a combination of inadequate appropriations and dramatic enrollment growth at the colleges, funding for the Tribal Colleges has never reached either of these levels. In fact, even with the fiscal year 1998 increase of $2.1 million for Title I colleges, the colleges are still funded only at about half of the level authorized, or $3,014 per full-time Indian student.

Compounding the existing funding disparities is the fact that Tribal College enrollments have increased dramatically—the 26 Tribal Colleges funded under this Act now serve nearly 20,000 full- and part-time students every year. Additionally, funding for Tribal Colleges, insufficient from the outset, has not even kept pace with inflation—in fiscal year 1997, the Title I Tribal Colleges received only $30 more per Indian student than they received in 1981. When inflation is factored in, the payment's value actually decreased by $1,200 (from $2,831 to $1,626) since 1981.

Tribal Colleges, in some ways, are being punished for their successes—the impressive enrollment gains recorded by the colleges have forced Title I colleges to slice an inadequate pie into incredibly small pieces. The Carnegie Foundation for the Advancement of Teaching praised the colleges in its May 1997 report, for providing access to students, strengthening communities and rebuilding cultures. The first recommendation of the report requested full funding for the Tribal College Act. Pointing to the significant enrollment gains posted by the colleges, the report called on the Administration and Congress to fund the colleges at fully authorized levels.

Our request for a $6 million increase for Title I would amount to only $3,713 per full-time Indian student, which is still significantly less than the average amount under which mainstream community colleges operate. It is also significantly less than the authorized amount of $5,820, and just a modest increase above the current Indian student allocation of $3,014.

Tribal Colleges have survived on a patchwork of smaller, competitive, short-term grants that supplement the insufficient Titles I and II operational funding. This has never been a stable way of funding Tribal Colleges, but the colleges have little choice. Several colleges have faced serious struggles because of this funding instability, and accrediting agencies have warned the colleges about the hazards of relying too heavily on "soft money." Unlike most state institutions, the Tribal Colleges are young—most were founded in the past 25 years—and they have not built the funding reserves that are common at older institutions. The lack of reserves actually forced two of the colleges to cease operations during the government furloughs and the budgetary impasse of 1996. Therefore, it is more important than ever that the Tribal College Act achieve what it was designed to do: provide for the operational support of Tribal Colleges.

Additionally, due to this inadequate funding, Tribal Colleges are now in urgent need of facilities repair and renovation, many of which currently operate in abandoned, condemned, or donated buildings. Health and safety hazards at Tribal Colleges include leaking roofs, asbestos insulation, and crumbling buildings. Most repairs and refurbishments can be done cost effectively by Tribal College students. The facilities renovation provision, requested at $1.8 million (for the institutions combined), would allow Tribal Colleges to begin to address their most urgent facility renovation needs.

While mainstream institutions are able to fall back on a foundation of stable state support, Tribal Colleges are located on federal trust territory, and the states have no obligation to fund them. They receive little or no funding from the states in which they are located. It is important to note that Tribal Colleges are reliant on the federal government for their operational funding. Tribal Colleges are also inequitably served by state block grants, and are frequently neglected in block grant distribution, as the recently-passed welfare reform block grants demonstrate.

Tribal Colleges cannot rely on local tax base revenue. Although Tribes possess the sovereign authority to tax, high reservation poverty rates, the trust status of reservation lands, and the lack of a strong reservation economy diminish the creation of a reservation tax base.

Indian gaming is not a viable funding source for Tribal Colleges. The vast majority of the reservations which Tribal Colleges serve are located in extremely remote and economically disadvantaged areas. Therefore, gaming has not been a significant source of income for the majority of the colleges. In addition, gaming tribes should be held to the same standard as states, which are not required to share their gaming revenue with other states, nor are they penalized for the success of their lotteries or gambling.

Tribal Colleges are a direct result of the special relationship between American Indian tribes and the federal government. Tribal Colleges are founded and chartered by their respective American Indian nations, which hold a special legal relationship with the federal government confirmed by numerous treaties, Supreme Court decisions, and prior Congressional action. Tribal Colleges serve communities in the most remote areas of our nation. For Tribal College students, both Indian and non-Indian, higher education would otherwise be inaccessible. Tribal Colleges do not discriminate based on race or ethnicity. They are simply, and effectively, removing barriers that have long prevented equal access to higher education for reservation communities.

Further Justifications and High Priority Areas of Need

AIHEC recognizes the Congressional goal of achieving a balanced budget, and we applaud this effort. Within that framework, AIHEC would like to highlight the following justifications and targeted highest priority areas of need for increased funding for Tribal Colleges.

Justifications

Tribal Colleges provide access to critical postsecondary education opportunities that would otherwise be out of reach. Most American Indian reservations are located in extremely remote areas, and their populations are the poorest in our nation. For many American Indian communities, the nearest mainstream institution is several hours away, making attendance virtually impossible. The cost of attending a mainstream institution is usually prohibitively high, especially when tuition, travel, housing, textbooks, and all other expenses are considered. Unemployment on the reservations served by Tribal Colleges can soar to 86 percent. One survey found that 98 percent of Tribal College students qualify for need-based federal financial aid.

Tribal Colleges are producing a new generation of highly trained American Indian contributors: teachers, tribal government leaders, engineers, nurses, computer programmers, and other much-needed professionals. Most of these new professionals are the first in their families to attend college. By teaching the job skills most in demand on their reservations, Tribal Colleges are laying a solid foundation for tribal economic growth, with benefits for nearby off-reservation communities. Most Tribal College graduates remain in their tribal communities, contributing their newly-acquired skills and knowledge where they are most needed. For example, 87 percent of Little Big Horn College (Crow Agency, Montana) graduates have found employment within the Crow Indian Reservation community.

Tribal College students and faculty also contribute to our nation as a whole, by participating in our national community of researchers, scientists, authors, artists, and teachers. Despite their lack of adequate funding, Tribal Colleges have established centers for research and education that are contributing in revolutionary ways. Many Tribal Colleges conduct economic development research, investigate new land uses and encourage tribal entrepreneurship. Each college has completed a detailed economic development plan that strongly justifies the need for the economic development appropriation (Title IV) requested in this testimony.

Tribal Colleges meet the strict standards of mainstream accreditation boards, and offer top-quality academic programs. For example, Turtle Mountain Community College, located in Belcourt, North Dakota, and many others were recently granted a ten-year accreditation term—the longest term allowed for any higher education institution. It is now not uncommon for accrediting agencies to refer mainstream institutions to Tribal Colleges for assistance with the accreditation process; Tribal College self-studies have been used as models of excellence for non-Indian institutions.

Tribal Colleges serve as highly effective bridges to mainstream four-year postsecondary institutions. A recent study showed that 42 percent of Tribal College students transfer to four-year institutions. Students who transfer from Tribal Colleges are much better prepared for the challenges of mainstream four-year institutions; they are far more likely to complete Bachelor's degree programs than American Indian students who enter as freshmen.

Tribal Colleges serve as community centers, providing libraries, tribal archives, career centers, economic development centers, public meeting places, child care cen-

ters, nutrition and substance abuse counseling, and a broad range of other vitally-needed facilities.

Tribal Colleges have become centers for American Indian language and cultural research, preservation, and revitalization. Many Tribal Colleges now serve as tribal archives, and offer courses in tribal history, literature, government, language, kinship, and other aspects of American Indian culture.

High Priority Areas of Need

Like mainstream institutions, these institutions strive to fully develop their institution and to expand services to serve the needs of their increasing student bodies. If each college received full or even increased core operational funding, Tribal Colleges could focus on some of their high priority areas of need, such as (1) maintaining accreditation by stabilizing their core operational budget (2) improving instructional capabilities and enhancing student support services; (3) expanding library services and collections, or establishing a tribal archive; (4) maintaining and improving facilities and enhancing laboratory facilities; (5) expanding technology through purchasing computers and establishing Internet access; (6) expanding child care facilities; and (7) constructing community or cultural centers.

Conclusion

In light of the justifications presented in this testimony and the even further enrollment increases that will result from welfare reform, we urge the Subcommittee to increase funding for Tribal Colleges. Fulfillment of AIHEC's fiscal year 1999 request will strengthen the mission of these colleges and the enormous, positive impact they have on their respective communities and will help ensure that they are able to properly educate and prepare thousands of American Indians for the workforce of the 21st century. Without the Tribal Colleges to serve as the means for moving from welfare to work, much of the reform accomplished by the Congress will fail throughout Indian Country. As demonstrated in this testimony, Tribal Colleges have been extremely responsible with the federal support they have received in the last 17 years. It is important that the federal government now capitalize on its investment. As the recent Carnegie report stated, "Now, as strongly as ever, we repeat our conviction that Tribal Colleges deserve continued support. Their value has been proven, but their vision is not yet fulfilled" (Native American Colleges: Progress and Prospects, Carnegie Foundation for the Advancement of Teaching, 1997). These institutions have proven themselves as a sound federal investment, and we ask for your continued support.

Thank you again for this opportunity to present our request before this Subcommittee. We respectfully ask the Members of this Subcommittee for their continued support and full consideration of our fiscal year 1999 appropriations request.

PREPARED STATEMENT OF ROBERT CHICKS, CHAIRMAN, STOCKBRIDGE-MUNSEE COMMUNITY BAND OF MOHICAN INDIANS

The Stockbridge-Munsee Tribe appreciates this opportunity to present our requests for funding in fiscal year 1999 for the Indian Health Service. We request that this Subcommittee provide fiscal year 1999 funding for our three priority projects: $3.6 million for a new wastewater treatment facility for the Stockbridge-Munsee Community; $2.8 million for a new health clinic for the Stockbridge-Munsee Community; and/or $1.27 million for equipment and supplies and $1.6 million for staffing to operate and maintain a new tribal health facility, which the Tribe will construct under a tribal joint venture demonstration project arrangement.

The Stockbridge-Munsee Tribe was once located in what is now the northeastern United States. However, in the early 1800's, we were removed from our ancestral lands to Indiana, and later relocated to what became the State of Wisconsin. Since 1856, our homeland has been a 46,000-acre reservation in central Wisconsin. The Mohican Nation has nearly 1,600 tribal members, over 800 of whom live on the reservation. The Tribe employees some 800 people—members and non-members—in our tribal programs and economic enterprises, including our small but successful casino and bingo operation, and is the largest employer in Shawano County, WI. In 1996, the Mohican North Star casino employed some 460 people, about three-fourths of whom are non-tribal members. The Community uses gaming proceeds to supplement funding for all our tribal governmental programs, including Elderly Assistance, Higher Education and Vocational Training, Housing Assistance, and Economic Development, but gaming revenues make up only 40 percent of the Tribe's fiscal operating budget.

The Tribal Council has three funding requests we have determined to be of highest importance, and we submit them for this Subcommittee's consideration.

WASTEWATER TREATMENT FACILITY AND SEWAGE COLLECTION SYSTEM

The fiscal year 1999 budget request for the Indian Health Service's Sanitation Facilities Construction account proposes a $5 million decrease below the fiscal year 1998 enacted level. While we recognize that the Administration, Congress and tribes are forced to struggle to determine which programs will receive funding as efforts to balance the federal budget continue, surely the provision of such essential services as water supply and waste disposal facilities for Indian homes and communities, which the rest of the American population almost takes for granted, must be a priority.

The Stockbridge-Munsee Tribe is in desperate need of a wastewater treatment facility and sewage collection system. The Tribe currently uses a three-cell lagoon system community water and wastewater system, instead of a regional treatment facility. Thanks to joint funding in fiscal year 1996 through IHS and HUD, we will be able to repair and upgrade the existing lagoon system, which services our main housing development area, this spring. However, that area is made up of only 30 households. Even the upgraded lagoon system is not able to meet all current community sanitation needs. In addition, the poor condition because of old age of the sewer systems in many of the existing homes presents the challenge of contamination of the groundwater supply and existing wells with bacteria and radon when replacing those systems.

The Tribe's Planning Department projects that the Tribe will need to build 50 to 60 new homes for our members in the course of the next 10 years. Although several existing residential units on the reservation utilize individual septic tanks, due to the soil types on the reservation, it is very unlikely that these new homes will be able to utilize individual septic tanks. According to data stored on the Geographical Information System, almost 93 percent of the soil types located on the Tribe's trust lands have severe septic limitations. The remaining 7 percent of the land has moderate limitations. These limitations make it is very difficult to find suitable areas on which to build housing for our members. As a result, the Tribe is seeking funding to construct a master wastewater treatment facility which will enable us to construct these homes on lands that would otherwise be unsuitable because of the septic limitations.

The proposed wastewater treatment facility would service an existing 80 residential dwellings within the regional service area, tribal offices, our existing health clinic and proposed new clinic and wellness center, and the casino. In addition, the new facility would service the contemplated new housing development and other commercial development, including a planned hotel. It would also be able to handle future increases in wastewater flow.

The IHS Field Engineer has estimated that the cost of the new master wastewater treatment facility and collection system will be $3.6 million. The need for such a system has been documented and submitted to the Indian Health Service for inclusion on the Sanitation Deficiency System (SDS) Listing. But, as this Subcommittee well knows, there are many tribal projects currently on the SDS list.

Without adequate funding to the IHS, necessary and essential projects like the Stockbridge-Munsee's wastewater treatment facility and sewage collection system will not be constructed. We ask that the Subcommittee provide additional funds for fiscal year 1999 for the Sanitation Facilities Construction account, and provide the necessary $3.6 million to the IHS to fund our Tribe's very needed project.

NEW HEALTH CLINIC AND WELLNESS CENTER

For the IHS Facilities account, the President's fiscal year 1999 budget request proposes an increase of $25 million over the fiscal year 1998 enacted level for construction of the replacement hospital at Fort Defiance, AZ. The balance of funds for this facility is requested as advanced appropriations for fiscal year 2000 and fiscal year 2001. While the Stockbridge-Munsee Community strongly supports this construction request, we know that many tribes throughout the country share the need of the Navajo Nation for a new health facility. However, unless Congress appropriates additional funding for IHS Facilities, it will be many years before other facilities are able to be built.

The Tribe has a small, 14,000 square-foot health clinic on our reservation which was built in 1973. During a typical month, the clinic provides medical services to over 1,200 patients, dental care to 200 patients, and fills over 1,000 prescriptions at the pharmacy. Annually, the current staff of 42 full-time and 1 part-time employees and 6 full- or part-time physicians and dentists provides necessary and essential medical treatment to over 2,300 people—Mohican tribal members and Indians who are members of other tribes but live on our reservation, and numerous non-Indians who live within the original boundaries of the reservation.

The severe space limitations, existing structural problems and poor condition of the clinic make providing necessary medical services very difficult. After a point, further additions to the clinic—and there have already been two—are not economically efficient. In 1996, the Tribe received a HUD Community Development Block Grant toward the construction of the new health clinic and wellness center; the Tribe paid for the costs of designing the facility out of tribal funds. Last year, the Tribal Council hired an architectural firm which has now completed a preliminary cite evaluation and the design of the layout and floor plans of the new facility. The Tribe is seeking fiscal year 1999 construction funding in the amount of $2.8 million through the Indian Health Service.

TRIBAL HEALTH FACILITIES JOINT VENTURE

If Congress is not able to provide additional funds in fiscal year 1999 for specific IHS facilities construction projects like ours, the Stockbridge-Munsee Community wishes the Subcommittee to consider providing appropriations for joint venture demonstration projects, as authorized under the Indian Health Care Improvement Act (25 U.S.C. 1680h(e)). The Stockbridge-Munsee Community is a member of the Tribal Nations Joint Venture Coalition for Health Facilities, a coalition of tribes from across the United States which would like to use the joint venture approach to draw upon non-federal funds to construct health facilities in our communities. Under the joint venture demonstration program, a tribe uses tribal, private sector or other available nontribal funds, including loan guarantees, to acquire or construct a health facility under a no-cost lease. IHS would then provide equipment, supplies and staffing to operate and maintain that facility. Tribes in Oregon and Oklahoma used this approach to build facilities which were completed in the early 1990's.

If Congress is not able to appropriate specific funds for our new wellness center, the Stockbridge-Munsee Community plans to finance and build the new Stockbridge-Munsee Community Health Center according to IHS planning criteria and design standards, to provide direct health care services to a projected user population of 2,900 Indian patients. The Tribe will "joint venture" with the Indian Health Service for staffing and equipment. We ask this Subcommittee to consider providing the necessary funding—$1.27 million for equipment and supplies and $1.6 million to increase health center staff from 42 to 66—in fiscal year 1999.

I appreciate this opportunity to submit this statement to this Subcommittee on behalf of the Stockbridge-Munsee Tribe. We are very proud of the services we provide our people and members of the surrounding community, services we are able to offer because the Congress has provided tribes with additional resources through the Indian Health Service. Thank you very much for your consideration of these requests.

PREPARED STATEMENT OF MARGIE MEJIA, CHAIRPERSON, LYTTON RANCHERIA/LYTTON BAND OF POMO INDIANS OF CALIFORNIA

The Lytton Rancheria/Lytton Band of Pomo Indians (the "Tribe") submits this testimony for the record regarding the fiscal year 1999 budget request for programs in the Bureau of Indian Affairs and the Indian Health Service. Specifically, we express our support for the BIA's requested $3 million for the Small and Needy Tribes program. We are very concerned about decreases in IHS funding levels and ask for an add-on of $20 million for California Tribes—$10 million for direct contract care and $10 million for contract support.

Located in Sonoma County, California, Lytton Rancheria was restored to federal recognition by the federal courts in *Scotts Valley Band of Pomo Indians, et al.* vs. *United States of America et al.* USDC No. Civ. No. C–86–3660–WWS; Sept. 6, 1991. The Tribe received no federal services for over thirty years. The effort to restore our status as a Tribe took about ten years, five of which were spent in litigation. During this time, the ill effects of termination took their toll on our people in terms of loss of property; lack of education and health benefits; increased poverty; high unemployment; disruption of families; death of tribal members due to alcohol and related illnesses or accidents; and the destruction of hope.

The Tribe, currently landless, has approximately 200 Tribal members and is governed by a Council consisting of seven Tribal Officers. The Tribal membership is 47 percent male and 53 percent female; of these 40 percent are adults and 60 percent are children under 18.

Tribal members reside primarily in Sonoma County (57 percent) and Del Norte County (27 percent), with the remainder of members scattered throughout the State of California and the continental United States (16 percent).

The Tribe plans to empower its constituents through education and training. The general membership approved a constitution on January 20, 1996, to establish laws that the Tribal members have agreed to live and abide by. Other empowering documentation which has recently been developed and is currently being utilized include: Enrollment Manual, Election, Enrollment and Voting Procedures Code, Tribal Government Operations Manual, Tribal Court Procedures and related codes. The Tribe is devoting its time, energy and resources in order to become self-sufficient.

Bureau of Indian Affairs

Our biggest concern regarding the BIA is the understaffing at the Area and Agency offices. California tribes have never known what it is to have a strong Area Office. The California Area Office has never been the equal of other Area Offices. It has 105 tribes in its service area and not enough funding to provide adequate services to them. Our Tribe is within the service area of the Central California Agency Office with 52 tribes in its service area. It needs funds to increase its staff from 40 FTE to at least 57 FTE positions.

Currently, the Tribe operates several grant programs through the BIA. We have an Indian Child Welfare program for tribal children and have used our BIA Aid to Tribal Government (ATG) grant monies to develop tribal infrastructure programs, including the codes and manuals described above. We request an increase in funding to implement the recommendations of the Interior/BIA/Tribal Joint Task Force on Reorganization of the BIA. One recommendation that the Tribe supports is the plan for a three-year phased in minimum funding amount for tribes starting at $160,000 annually and raised to $250,000 per year in the third year.

Like some 14 other tribes in California, the Lytton Band does not have land. This creates problems for our members because if you don't live "on or near" a reservation, even if you are a member of a federally recognized tribe, you are not eligible for federal services. Tribal governments simply cannot build tribal communities without land. While the process for taking land from the Indians was often done with little more than the stroke of a pen, it is nearly impossible to a tribe to have lands taken into trust and that process is getting longer and longer.

The Tribe would like to take this opportunity to request legislation and funding to tribes to assist them in hiring specialized staff to handle repatriated human remains and other associated objects. While museums have a great deal of inventory that rightfully belongs to tribes, it is often hard for tribes to accept the items because of the costs of curating them.

We very much support the Housing Improvement Program (HIP) within the BIA. We believe that the administration of HIP should stay in the BIA, not HUD, and that the grant aspect (see 25 C.F.R. 256) should be retained. There have been discussions about using HIP monies under the regular tribal contracting process, but we support direct grants for this very needed program.

Finally, we request funds to cover 100 percent of the contract support costs for new tribes.

Indian Health Service

The Tribe requests a $10 million add-on to the IHS budget for contract support costs for California Tribes and a $10 million add-on to the IHS budget for direct contract health care. As Chair of the Tribe, I have become a member of the California Rural Indian Health Board and am on the Board of the Sonoma County Indian Health Board. In that capacity, the desperate health needs of California Indians have become very evident to me. Basic illnesses are untreated. Members do not even have eyeglasses or dental care. The President's health initiative includes programs to treat Indian diabetes. We believe that is excellent but not if other common illnesses and preventive care are neglected. There is no IHS hospital facility at all in the State of California. In Sonoma County, three tribes used HUD CDBG money to buy land and combined grant monies from various programs to build a health clinic. The State of California has approved a Mortgage Loan to the tribes for this purpose. IHS is staffing the facility. The Subcommittee should also know that the federal expenditures per patient in federal hospitals (veterans, public health service) is about $3,000 per patient; for IHS overall, it is $1,200 per patient; for California Indians, it is about $500. This is simply not enough to maintain even the most minimal health care for California Indians.

Without additional continued funding, especially in the crucial formative years for new tribes, our membership will stagnate and revert back to the downward spiral of life quality experienced by so many Native Americans for so many years.

PREPARED STATEMENT OF KENNY MALLORY, CHAIRMAN, WINNEBAGO TRIBE OF NEBRASKA

This testimony addresses the fiscal year 1999 budget request for programs in the Bureau of Indian Affairs and the Indian Health Service. The Tribe is concerned about funding for the Indian Health Service, and supports the Administration's proposed increases for the Tribal Priority Allocation account, Law Enforcement and the Tribally Controlled Community Colleges program within the BIA.

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 3,764 enrolled members, of whom about 1,238 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; added tribal revenue is generated by leasing tribal land to outside agricultural interests. Ho-Chunk, Inc., a wholly-owned tribal development corporation, owns a Rodeway Inn in Sloan, Iowa, approximately 3 miles from the Tribe's casino. Ho-Chunk has also opened hotels in Omaha and Lincoln. 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.

INDIAN HEALTH SERVICE

The Winnebago Tribe of Nebraska must, regrettably, ask for the assistance of this Subcommittee in regard to completion of the design phase of the Winnebago Hospital.

Over a period of years, Congress made appropriations for design of the hospital based on estimates provided by the Indian Health Service. The Congress and the Tribe were advised during the fiscal year 1998 appropriations process that an additional $650,000 would be needed to complete the design phase for the hospital. Despite our best efforts and those of our congressional delegation, the Congress was not able to find sufficient money in fiscal year 1998 for this purpose; however, the final fiscal year 1998 Interior Appropriations bill conference report urged IHS, the Department of Health and Human Services, and the Office of Management and Budget to include funding in the fiscal year 1999 budget submission to complete design for the Winnebago Hospital, as well as the outpatient facilities at Parker, AZ, and Pinon, AZ. Unfortunately, and, again, despite our best efforts, the Administration failed to include this funding in its fiscal year 1999 Budget Request as directed by the Congress. Needless to say, the Tribe and all of the Indian people in the IHS service area who will be served by the new hospital are very disappointed by this omission.

As you may know, the IHS hospital at Winnebago was built in the 1930's and has never been significantly upgraded. The Native American clients served by the existing hospital are receiving services in a facility that is among the oldest and most dilapidated in the Nation. The proposed new hospital was in the works for ten years before the Congress made the first appropriation for design and engineering. This process is now very near completion and if work ceases during fiscal year 1999, the delay will mean significant increases in the overall costs of the project. We respectfully request that the Subcommittee include an increase of $650,000 for fiscal year 1999 for completion of the design phase of the IHS hospital at Winnebago.

BUREAU OF INDIAN AFFAIRS

Tribal Priority Allocations.—The Winnebago Tribe urges the Administration and the Congress to continue to provide additional resources through the Tribal Priority Allocations account to assist tribal governments to address basic services for our communities. The President's fiscal year 1999 budget proposes an increase of some

$34 million over the fiscal year 1998 enacted level. Although the majority of these funds are proposed for specific programs, rather than as a general increase to the base funding of all tribes, we do support additional funds for TPA in fiscal year 1999.

Under the BIA's TPA program, the Tribe contracts to operate Aid to Tribal Government, Judicial Services, Employee Assistance, Higher Education, Credit, Law Enforcement Communications Services, Real Estate (services related to land management), Services to Children, Elders and Families, Indian Child Welfare Act services and Wildlife and Parks. The total 1997 TPA contract was $817,500, a decrease of $42,000 from the contract amount for 1996 which was $866,000; the Tribe supplemented this amount with $722,743 from tribal revenues. In the 1998 budget, the Administration requests $889,100 for the Winnebago Tribe TPA, an increase of just $23,000 from 1996, and $71,500 from the current year level. For the current funding year Tribal Allocations to TPA programs has decreased from $722,743 to $531,082 due to the decline in tribal revenue. With the unmet need of $301,861 identified by tribal resolution No. 97–17 in 1997, plus the actual decrease in 1997 in tribal funding of $191,745, and finally the additional shortfall identified by our tribal program directors in their programs for fiscal year 1998, the overall TPA programs show a shortfall of $987,376 just to maintain basic operations.

The following identifies needs of each program under the Tribal Priority Allocation program:

Aid to Tribal Government funds 3 positions, a Tribal Planner, Community Development Specialist, and Office Associate. These positions were identified in fiscal year 1998 to develop a Planning Department for the Tribe to aid in leveraging tribal funds to secure grants from the public and private sectors to provide services in Youth Development, Youth Employment, Drug and Alcohol Prevention programs, Senior Employment, Rural Transportation, Juvenile Staff Secure Facilities, Culture Restoration, and Education programs that have been defunded or received major cut backs because of decreased tribal revenue. Additional funding of $69,600, would enable this program to provide staff to develop individual program planning and assist grant preparation to increase funding for planned program growth.

Judicial Services averages over 900 cases in civil, criminal, juvenile, family and traffic cases per year. Court needs includes funds for court automation. Many activities are still done by hardcopy by hand. Computer data capability has been provided to the court during the last two years, but these systems will need to be replaced before the year 2000. Because we have only one probation officer for all adults and juveniles, we are unable to proper monitor compliance with court orders. We are also having difficulty in enforcing child support orders simply because we do not have the necessary staff. The Tribe needs at least another $398,688 for judicial services. The Tribe's Supreme Court which hears all appeals is funded entirely by the Tribe.

Real Estate Services provides services to the tribe in management and leasing of all tribally owned land and is responsible for ensuring that trust and fee land is managed in accordance with environmentally sound practices to guarantee a solid future for generations to come. Other services include helping locate homesites for tribal members, many of whom own fractional interests in larger pieces of land and continue tribal efforts in land consolidation of all tribal lands. Present funds provide for a program director, and administrative assistant. Additional funds for this program would provide for a lease monitor to assure all lease compliance with leasees of tribal agricultural lands. This position was funded by tribal revenue. Additional funding of $53,120 is needed to meet this shortfall in program monitoring of tribal lands.

Services to Children, Elders, and Families is a program which is underfunded in the area of administrative support. Current funding is $59,589 which provides for one caseworker and operational costs to service all of the Tribe's welfare caseload. Additional funding of $170,400 would provide sufficient funding to hire a Human Services Director, and three caseworkers to assist the management of this program.

Children with behavioral and/or emotional problems are sent to a detention center off the reservation with the tribe responsible for a majority of the cost for this activity. The center is about an hour away and, while the facility does allow the Tribe to provide services for all native American children living on the Winnebago Reservation, there are rarely sufficient funds to provide the kinds of services the children need. The Tribe has provided in excess of $150,000 per year to meet this need. However, the real need to enhance prevention programs aimed at this group would be a better use of these funds. Most state and federal programs focus on treating symptoms, leaving the tribe responsible for funding and implementing prevention. We recommend that current costs for detention of juveniles be provided under Child Welfare. This would provide the opportunity for the tribe to redirect funds to youth

prevention activities in the community for all Native American children living on the Winnebago Reservation.

The Tribe is reorganizing the Human Services Department to try to realize more benefit from the dollars expended. For example, the tribe is in the process of combining employment and training programs under Public Law 477 guidelines. This process will be completed and implemented by Oct. 1, 1999. The Tribe is also developing a centralized in-take process to streamline all delivery services (social, health, education, training, employment, law enforcement, court) to meet the total needs of families. This holistic approach to confront the total needs of a family in crisis is an innovative process to stabilize families and prepare the family unit to become productive members of the tribe. This process would require case management by a number of services at once for each family member needing assistance identified by the in-take process. The benefits and savings of one family becoming functional would save hundreds of thousands of dollars in future services to it members and off-spring. This process as run into many problems do the fact federal and state funds are extremely compartmentalized and laden with bureaucratic red tape.

Law Enforcement Communications Services is a program overlooked, and underfunded by law enforcement programs within the BIA. In the 1998 TPA program funding the Winnebago Tribe committed $141,356. to meet the minimum funding necessary to provide 24 hour communication services to the community of Winnebago and the surrounding area. Services include Law Enforcement communications, fire calls, networking with other law enforcement agencies, and emergency calls. Additional funding of $157,848 is needed to bring this program into a standard of service which would meet the needs of the Winnebago Tribe of Nebraska.

Wildlife and Parks funds two conservation officers and two part-time officers during hunting seasons on the Winnebago Reservation. Without them, there would be no law enforcement of hunting codes on the reservation. The Tribe has an agreement with the State of Nebraska whereby the Tribe monitors and manages the reservation wildlife. Needs of this program are a staff position to oversee the general administration of this program and a part time biologist to assist conservation officers in herd management of deer population, wild turkey and other wildlife management. Additional funding of $137,720, would meet staffing and operational needs for this wildlife management program.

Law Enforcement.—We urge the Subcommittee to support the Administration's request for $25 million for BIA Law Enforcement, to be used for criminal investigators, uniformed police and basic detention services, within the Special Programs and Pooled Overhead account. We support additional funds for law enforcement in Indian country based on two particular needs experienced by the Winnebago Tribe.

Law Enforcement Center—The Winnebago Tribe of Nebraska is requesting a centralized Facility to house our Tribal Court, BIA Law Enforcement, Tribal Law Enforcement, Law Enforcement Communications Services, Adult Detention Services, and Juvenile Detention Services on the Winnebago Reservation. Projected costs for this project would be $8,400,000 for site preparation and construction, $630,760 to meet staffing requirements for detention facilities, and $657,000 to meet operational costs for this facility. The Winnebago Tribe is currently developing plans and options for cost share on this needed facility for our community. As mentioned earlier juvenile detention costs are reaching prohibitive amounts for the tribe. Adult detention requires a number of adults ordered to detention to be transported to facilities in South Dakota approximately 150 miles from our reservation. Costs of transportation, officer transporting time, report filing time, and returning of prisoners to the Winnebago Reservation are costs that can only be estimated. Adults and juveniles that must be placed under house arrest because of funding limitations defeats the process of punishment for law violations. It is our hope by jointly working with federal agencies, state agencies, and our tribal government there will be affordable solutions in cost sharing to enable this project to proceed in a very timely matter. As part of this request the Winnebago Tribe ask that General Services Administration (GSA) begin the process to work out a long term lease with the tribe to secure needed operational costs, and possible loan repayments for this facility.

BIA Law Enforcement Services/Uniform Division—The Winnebago Tribe of Nebraska requests that additional funding be made available in the amount of $1,225,975 to the Winnebago Agency Law Enforcement Services to be used to bring BIA Law Enforcement Services on the Winnebago Reservation to a standard that will provide adequate services to the Winnebago Reservation and all Native Americans living and working within its boundaries.

Tribal Colleges.—In the fall of 1996, the Winnebago Tribe chartered and began operation of the Little Priest Tribal College. The College, the 30th member of the American Indian Higher Education Consortium began to receive assistance payments under the Tribally Controlled Community Colleges Act (25 U.S.C. 1801 et

seq.) in fiscal year 1998. Little Priest Tribal College submitted its self-study and requested a site visit by the North Central Accreditation Agency. It has initial candidacy status.

The Winnebago Tribe supports the Administration's requested increase of $5.5 million for operating grants for the 26 Tribally Controlled Community Colleges, for a proposed fiscal year 1999 level of $35.4 million.

PREPARED STATEMENT OF BRUCE WYNNE, CHAIRMAN, SPOKANE TRIBE OF INDIANS

Mr. Chairman, and Members of the Subcommittee, thank you for the opportunity to submit this testimony on behalf of the Spokane Tribe. The Tribe is located in Eastern Washington, has 2,145 members and a Reservation of 156,000 acres. While the Spokane Tribe was historically a fishing tribe, we now rely primarily on timber for tribal income. The Spokane Tribe supports the overall increase of $142.1 million over the fiscal year 1998 enacted level for the Bureau of Indian Affairs. However, there are several program areas within the BIA for which the Tribe is asking for increased funding over the Administration's fiscal year 1999 request. We support the President's proposed increase of $5.5 million for funding for the Tribally Controlled Community Colleges. In the Indian Health Service, the Tribe is asking the Subcommittee to support funding for new modular units to house the Tribe's clinic and funding for an elderly assisted living program. In addition, there are two policy matters: the first is to implement phase one of the Secretary's proposed settlement of disputed tribal trust accounts, and the second is the need to include tribes in the decisions related to restructuring of the Pacific Northwest Energy System.

BUREAU OF INDIAN AFFAIRS

Tribal Priority Allocation (TPA) Account

The Spokane Tribe supports the proposed $34 million increase in TPA funding for fiscal year 1999. The TPA funding is the lifeblood of tribal governments. It is the money tribes receive to support services for their people. The United States' obligation to provide funds for tribal health, education and welfare programs is part of the treaty guarantees made to tribes by the United States in return for the cession of millions and millions of acres of land.

Decreases in prior years in TPA funding have left tribes actually losing in terms of adjustments for inflation. We use these funds for many purposes, including tribal government infrastructure, services for children and the elderly, scholarships, education, courts, law enforcement, adult vocational education, training, agriculture and forestry. The funds must be stretched very thin for all programs. The services the Tribe is expected to deliver versus the amount of our contracts for these programs does not fulfill the BIA's trust responsibility. In addition, the introduction of Welfare Reform has placed an unexpected burden on our Education programs.

Our unmet identified needs total $2,469,207, as shown: $40,000 increase for scholarships; $40,000 increase for fire protection—the Tribe currently loses 98 percent of all structure fires because of bad equipment, inadequate communications and remote fire stations; $115,900 increase for tribal courts—the Tribe's court caseload has increased fourfold in two years; $585,307 increase for UCUT—significant funds are needed to maintain existing projects and implement new projects; $588,000 increase for Midnight Mine reclamation—the Tribe needs the technical expertise to adequately protect our reservation resources; $100,000 increase for Lake Roosevelt management—the documented needs falls short by this amount; and $1 million for the thirteen Columbia Basin tribes to participate in Columbia River Basin governance.

We ask the Subcommittee to support the President's proposed increase for TPA and to add more if possible to this account which targets spending at the local level. An across-the-board ten percent increase over the President's budget would be of great benefit to all tribes nationwide.

Tribally Controlled Community Colleges Act

The President's budget requests an increase of $5.5 million for operating grants for the 26 Tribally Controlled Community Colleges, for a proposed fiscal year 1999 level of $35.4 million. The Spokane Tribe supports an additional increase of $2 million to $7.5 million. We believe this minimum amount is necessary to maintain stable and productive colleges on Indian reservations. The Spokane Tribal College is in its early stages of development. We are proud of our accomplishments to date and look forward to full participation in the TCCC's program in the near future.

Johnson O'Malley; Scholarships

The Spokane Tribe requests increased funding for the Johnson O'Malley program at the fiscal year 1995 level of $24 million. Fiscal year 1999 request is $18 million. We support the fiscal year 1999 request of $29 million for scholarships, which is an increase of $488,000 over fiscal year 1998.

Upper Columbia United Tribes (UCUT)

The primary purpose of the UCUT program is to mitigate the harm to fish and wildlife caused by the construction and operation of hydroelectric facilities on the Columbia River and its tributaries. UCUT has helped the Northwest Power Planning Council incorporate in its decisions the fundamental importance of fish and wildlife resources to the religious, cultural and economic livelihood of the Indian tribes. UCUT funds are used to implement, monitor and evaluate fish and wildlife plans as well as for regulatory enforcement, planning and coordination between State, Federal and Tribal governments.

The Tribe supports the $5 million for a new water quality and watershed management planning program for reservation lands in the Missouri, Rio Grande, Columbia and Colorado River basins.

Tribal/BIA Law Enforcement

The Spokane Tribe supports the President's request for $25 million increase for BIA law enforcement we also appreciate the additional funds requested for tribal law enforcement in the Justice Department's budget. However, we urge that the Bureau remain the primary agency responsible for law enforcement in Indian Country.

INDIAN HEALTH SERVICE

As a general comment, the Spokane Tribe is concerned about the inadequate funding base for the Indian Health Service, especially the failure in the fiscal year 1999 budget request to include more than $130 million in mandatory cost increases for Federal Pay Act costs, inflation, population growth and staffing for new facilities. The proposed small increase ($2.8 million) for fiscal year 1999 does not include increases for inflation, population growth or staffing at new facilities and to meet the cost of implementing managed care through the IHS system. The Tribe is also concerned about the ongoing need for additional resources for construction funds, since many of the clinics in the Northwest are outdated, and unable to meet standards for quality health care. The fiscal year 1999 IHS budget request also assumes an increase in Medicare/Medicaid and private insurance collections totaling $25 million to offset the inadequate increase in funding.

The IHS service unit clinic at the Spokane Reservation serves all of the Indians residing on and near the Spokane Reservation. The clinic is small and housed in a substandard facility. It is understaffed, with not enough doctors, dentists and other needed health personnel. Representative Nethercutt, who is the Spokane Tribe's representative in Congress, is working with the IHS to obtain modular units to house the clinic. We ask the Subcommittee's support for his efforts. The cost will be about $500,000. In addition, we would like to begin an assisted living program for our elderly citizens through the CHR program at IHS. A minimum of $200,000 is needed to establish such a program.

The Spokane Tribe supports the proposed diabetes prevention funding. The actual funds that reach the Spokane Tribe is $35,000. The Northwest Portland Area Indian Health Board is working on a distribution/allocation formula for the Northwest Tribes. The Spokane Tribe also supports the testimony of the Northwest Portland Area Indian Health Board in its entirety. We are particularly supportive of the request to cover unfunded mandatory cost increases

NATIONAL PARK SERVICE

The Spokane Tribal Historic Preservation Office (THPO), along with fourteen other tribes, has assumed the duties and responsibilities of the State Historic Preservation Officer (SHPO) for those lands within the exterior boundaries of the Spokane Reservation and all dependent Indian communities. The assumption is recognized through formal agreement with the Secretary of the Interior through the NPS. The amount of funding currently allocated for tribal cultural programs is not sufficient to run the THPO. The THPO fulfills federally mandated duties and responsibilities of the NPS. The Spokane Tribe strongly urges the Subcommittee to consider special set-aside funding for tribal cultural programs that at least match or exceed entities with similar duties and responsibilities.

POLICY MATTERS

The Tribe is very concerned about the proposed plan to implement the strategic plan of the Office of Special Trustee for American Indians, particularly the funds requested in fiscal year 1999 for the first phase of the Secretary's proposed settlement of disputed tribal trust funds accounts. We strongly urge the Subcommittee take no action to implement any part of the proposal until the Tribes have reached some agreement on the matter. The Spokane Tribe requests a new appropriation of $1 million annually to the BIA Rights Protection program for use by the thirteen Columbia River Basin Tribes to complete planning and begin implementation of a Columbia River Basin governance process. The process will include those 13 Tribes, with the four Columbia River Basin States (Idaho, Montana, Oregon and Washington) and numerous federal agencies (including NMFS, ACOE, EPA, DOE and DOJ). The Three Sovereigns (Tribes, States and Federal Agencies) are developing a more effective regional governance process for the Columbia River Basin. The Tribes need financial support, consistent with the federal trust responsibility, to provide for offices, staff, travel and other necessary capability to effectively participate in the Basin governance process.

Finally, I would be remiss if I did not once again remind the Congress of its failed obligations to Tribes and our sincerest hope that this Subcommittee will begin a corrections process. Since 1975, our funding for tribal programs has not kept pace with funding for programs that serve other Americans. While BIA education programs increased an average of $14.6 million per year from 1975 to 1998, in reality, when factored for inflation, these programs actually lost an average of $1.4 million each and every year. The Northwest Portland Area Indian Health Board reports that between 1995 and 1998, Interior appropriations decreased by 6.7 percent while Labor, HHS and Education increased by 9.7 percent.

In addition, there are huge backlogs in federal obligations to Indian people, including $200 million in environmental clean-up costs for BIA facilities, $1.8 billion for Indian sanitation facilities, $4.8 billion in Indian roads construction, and $188 million for essential maintenance and repair for IHS facilities. There is also a significant backlog in construction needs for schools (over $600 million), juvenile facilities and jails. The Spokane Tribe strongly urges the Subcommittee to consider special set aside funding for roads construction, as this is a critical area with shortages nationwide.

Finally, the Spokane Tribe expects the Subcommittee to observe and enforce your rules. Once more, the Tribe appreciates the opportunity to submit this testimony today and we look forward to working with the Subcommittee during the fiscal year 1999 appropriations cycle.

PREPARED STATEMENT OF EARL HAVATONE, CHAIRMAN, HUALAPAI TRIBE OF ARIZONA

Summary.—The Hualapai Tribe of Arizona strongly supports the President's budget request for funding for Indian tribes through the Historic Preservation Fund administered by the National Park Service. The President's budget request for the Historic Preservation Fund includes two items for tribes: (1) the existing program of grants-in-aid to Indian Tribes, for which the President's budget requests $3.096 million, an increase of $800,000 over fiscal year 1998; and (2) the proposed program of millennium Grants to Save America's Treasurers, in which $3 million would be made available to tribal governments.

Background.—In 1998, the Hualapai Tribe of Arizona became one of the first Indian tribal governments in the country to take over responsibilities under the National Historic Preservation Act (NHPA) that would otherwise be performed by the State Historic Preservation Officer (SHPO). Amendments to the NHPA enacted in 1992 authorize tribal governments to take on those responsibilities, and so far some sixteen tribes have done so, even though the amount of federal financial assistance available for tribes is quite limited. The Hualapai Tribe was in a position to step forward and take on those responsibilities in large part as a result of our participation as a cooperating agency in the preparation of the environmental impact statement (EIS) on the operation of the Glen Canyon Dam, a project administered by the Bureau of Reclamation. The Colorado River is the northern boundary of our Reservation, and there are numerous places throughout the Grand Canyon that hold religious and cultural importance for our Tribe. The operation of Glen Canyon Dam causes impacts on these traditional cultural properties. Accordingly, the Bureau of Reclamation provided financial assistance to the Hualapai Tribe and other tribes to help conduct studies to be used in preparing the EIS. That project funding enabled us to establish our tribal cultural resources program.

Since 1996, our cultural resources program has been funded mainly through grants from the National Park Service. This has enabled us to accomplish quite a lot, including the enactment of our cultural heritage resources ordinance and the establishment of on-going relationships with federal and state agencies and other tribal governments.

Need for this funding.—Tribal governments deserve to be full partners in our national historic preservation program. The American people need tribal governments to become full partners. As more and more tribes seek to take on responsibilities like those of the state historic preservation officers, the amount of funding simply must be increased. The President's budget is a modest request to meet a very important need, and we urge you to support it.

PREPARED STATEMENT OF JOSEPH F. MCCONNELL, PRESIDENT, FORT BELKNAP COMMUNITY COUNCIL

The Fort Belknap Indian Community wishes to thank you for this most important opportunity to present a request for special appropriations by and for the members of the Fort Belknap Indian Reservation. My name is Joseph McConnell, I am the President of the Fort Belknap Community Council and a member of the Gros Ventre Tribe. I represent both the Gros Ventre and Assiniboine Tribes of the Fort Belknap Indian Reservation.

The Fort Belknap Indian Community is requesting appropriations to meet the following goals and objectives. (Attached for your review is justification for each goal and objective for which funding is requested):

Natural resources

Land consolidation: $7,250,000—appropriations to FBIC for land acquisition and relending to eligible individual members of the Community to reduce/eliminate fractionated heirship lands.

Integrated resource management plans: ($1,789,000) year 1 $489,300; year 2 $325,000; year 3 $325,000; year 4 $325,000; year 5 $325—appropriations necessary to implement the planning requirements of Public Law 103–177 entitled Indian Agriculture Resource Management Act.

Water development: $998,000—appropriations to FBIC for water development to stabilize livestock and farming/ranching industries through development/improvement of wells and impoundments.

Boundary/interior fences: $2,770,000—appropriations to FBIC to replace 595 miles of boundary and interior fencing at $4,500 per mile constructed from 1889 to 1970 and to acquire and install cattle-guards at $1,000 each to protect the traveling public.

Fort Belknap irrigation rehabilitation and betterment project: $1,500,000 for fiscal year 1998 to address Lower Main Canal "A", Drain "D–1" and Drain "D–3" in accordance with attached documentation.

Historical/cultural/religious center: $350,000. The Fort Belknap Indian Community must develop the capability to protect and preserve historical/cultural/religious sites and artifacts. We must also expand our capabilities on "repatriation".

Rangeland renovation: Historic abuse of the range (grazing) resources of the Fort Belknap Indian Reservation, and other Reservations, by United States Government Policies and unscrupulous livestock operations has resulted in the inability of the land to produce forage for which it is capable. One of the major contributors to insufficient production is "clubmoss". Range Renovation cost estimate is $602,976 and deferral cost estimates are $703,776 total estimated cost of Range Renovation Project is $1,306,750.

Irrigation operation and maintenance: $65,000. The Fort Belknap Indian Irrigation Project is classified as a Category II Project. Under this category, Congress has authorized the partially subsidize of the operation and maintenance. This subsidy was not in last year's budget for the first time in the projects history and has created a severe hardship on the landowners and operators of the Tribe. The Fort Belknap Indian Irrigation Project lands are 99.5 percent Indian operated. The Tribe requests $65,000 for the category II subsidy for fiscal year 1998 and in perpetuity. We are also requesting that any delinquent O&M assessed to landowners/operators due to inability of the project to deliver timely/adequate water or lack of drainage facilities be eradicated.

Municipal, rural and industrial water project feasibility study in fiscal year 1999: In fiscal year 1999, the Fort Belknap Indian Community shall need Congressional authorization for the Bureau of Reclamation to fund a Feasibility Study for a Reservation-wide MR&I water project. The Tribes request that the House and Senate

Appropriations Subcommittee for Energy and Water Development authorized the expenditure of $185,000 for a feasibility study for development of an MR&I water system for the Fort Belknap Indian Reservation. This study shall identify costs and feasibility for the improvement of water supply systems for the Reservation to meet immediate public health and economic development needs at Fort Belknap.

Tribal courts

An additional area of major concern to the Fort Belknap Tribal Government is that of jurisdiction and the increasing attacks on the Sovereign status of the Gros Ventre and Assiniboine Tribes. In an effort to up-grade our Courts system to enable us to withstand these attacks, we are requesting $868,540 annually for the next five (5) years in order to up-grade existing staff, increase professional and support staff and provide proper training, legal documents and expert witnesses and office support supplies.

Indian Health Service and tribal health

Funding for the medical care of Native Americans has fallen extremely short over the years. While inpatient and outpatient visits have increased, the funding has decreased. The President's budget request will have severe results if funding for some of these projects is not restored. We are requesting your support for the following:

Hospitals and clinics.—Restore the proposed budget cuts of $9.9 million.

Sanitation facilities.—Restore the proposed budget cuts of $5 million.

Maintenance and improvement.—Restore the proposed budget cuts of $3.8 million.

Collections.—The proposed requirement includes $25 million to be collected from other resources (i.e.: medicaid, medicare, etc.). These are funds that may or may not amount to the $25 million that is included in the budget. The shortfall would cut into other necessary funding. This requirement puts a burden on the field offices to collect this amount. Restore this amount and any collections would be used to offset this amount.

Indian self-determination.—The budget proposes no additional funding for the ISD Fund. As of September 17, 1997, those on the waiting list amounts to $49 million.

Contract support dollars.—There will be a substantial contract support shortfall for the on-going contracts and compacts.

Pay cost increases.—The only reflect the needs for IHS staff and does not include the pay cost needs for Tribes.

Fort Belknap Indian Reservation has just recently opened a new Clinic on the southern end of the reservation, in the community of Hays. In addition, a new hospital, located at the northern end of the reservation, is in the final stages of construction and hopefully the staff will be moving sometime in May or June of 1998. With the new Clinic in Hays, the outpatient load is sure to increase. No additional funds were made available for staff housing at the Hays Clinic, nor for the increase in staff at the new Fort Belknap Agency Hospital. IHS Engineering Services estimates the cost to be: Fort Belknap Agency, $3,201,000 for 13 units and Hays Clinic, $3,688,000 for 16 units. The cost would include the roads, water and sewer, landscaping, etc. In addition, we are requesting more funding for the Contract Medical Care Program at the Fort Belknap Agency as promised by Indian Health Service Staff. With the reduction of hospital beds, the Fort Belknap Hospital anticipates and increase in contract medical care. As it is, we are always short in contract medical care funds.

Again I wish to thank you for this opportunity to present to you some of the needs of the Fort Belknap Indian Reservation and its members. If you require any additional information concerning our request, please contact me or a member of the Staff.

PREPARED STATEMENT OF MERVIN WRIGHT, JR., CHAIRMAN, PYRAMID LAKE PAIUTE TRIBE

I am the Tribal Chairman for the Pyramid Lake Paiute Tribe of Nevada. On behalf of the Pyramid Lake Paiute Tribe, I appreciate the opportunity to submit this written testimony to the Senate Subcommittee on Interior Appropriations. We express our gratitude for Committee support in the past, and respectfully request the Committee to fund our Tribe's priorities for fiscal year 1999: High School Construction, Water Right Acquisition Program, Judicial Services, Health and Welfare Services, Housing Improvement Program, Law Enforcement and Cultural Resource Preservation. A brief history will support this request for funding.

Tribal history.—The Pyramid Lake Paiute Tribe is one band of the Northern Paiute Nation and is organized under the Indian Reorganization Act of 1934. The Pyramid Lake Indian Reservation is the largest Indian reservation in the State of Ne-

vada covering approximately 476,000 acres. Pyramid Lake is the largest terminal lake in the United States and has a surface area of 110,000 acres. A prehistoric indigenous fish called the Cui-ui (pronounced Koo-uee) has existed in our lake for thousands of years, it is the foundation of our traditional culture and Pyramid Lake is the only place in the world where our Cui-ui is found. We are traditionally known as the Cui-ui Ticutta or Cui-ui eaters. The Cui-ui are an endangered species, while another inhabitant fish the Lahontan Cutthroat Trout is a threatened species. These two fish species were once the primary economic support for our Paiute People.

The enrolled membership of the Tribe is currently 1,987. Our Tribal Government responsibility is to provide primary services to our elderly, our children, and the maintenance social order within our reservation. Cultural identity is a prevalent matter of importance in preserving the status and well being of our past and future generations. Education and health care are principle factors requiring professional attention and care at acceptable standards of our society addressing social ills and additional pressures of our modern day society.

Pyramid Lake High School: $8,700,000

Our high school architectural design is 100 percent complete and Congress appropriated $1.8 million in fiscal year 1998 to begin site preparation leading to construction completion. Our high school will enhance acceptable educational standards of achievement that will promote post secondary education promoting the well being our reservation community. We are committed to promoting a high standard of achievement, while each student entering high school will be provided the opportunity to realize the challenge of success and the completion of secondary and post secondary educational institutions. Our People will be positively impacted in realizing the building of social and economic indicators enhancing community based involvement aimed to further our ability to educating our youth.

Water Right Acquisition/Water Resources Management: $3,000,000

The Pyramid Lake Paiute Tribe is seeking the remaining $2.5 million to complete its water rights acquisition program. Over the recent years, Congress has appropriated $9.5 million for this program and the remaining $2.5 million will complete the federal government's commitment authorized by 1996 Water Quality Agreement. Under the Agreement the United States Department of Interior, on behalf of the Tribe, is obligated to purchase $12 million worth of water rights from willing water right holders in the Truckee River Basin. Since the inception of the Newlands Reclamation Project in 1902 and with the construction of Derby Dam in 1908, Pyramid Lake's aquatic habitat and environmental structure has been seriously damaged and continues to be threatened. The Tribe entered negotiations in 1986 to resolve the long history of outstanding litigation and related issues on the Truckee and Carson Rivers with upstream and neighboring communities, the States of Nevada and California and the federal government.

We are directly involved with completing final stage of the Truckee-Carson-Pyramid Lake Water Settlement Act (Title II of Public Law 101–618). However, the management, monitoring and enforcement will only begin with achieving and approving this settlement. The Pyramid Lake Paiute Tribe is one of five principle signatories of the settlement act. As we approach the implementation phase of the settlement act, we realize and accept the immense administrative responsibility accompanying its implementation. The Tribal Water Resources Management Contract will require at least $500,000 in funding support for technically advanced operations associated with monitoring flows, establishing water quality criteria, scheduling releases, managing the accounting of various water supplies and participating in any further implementation activities. Our role is critical in achieving full satisfaction among the principle parties.

Health Care/Social Services: $2,500,000

Our health services and social structure on our reservation continue to be one of fragile capacity. The Tribe manages its own clinic facility, but the bureaucracy surrounding the service absorbs much of the funding before actual services can be provided. Service units are capable of providing equal, if not more efficient administration without incredible Area Office wasteful spending. This funding will provide for contract health care services which is used to treat Indian patients outside the primary care perimeters. Due to contract health services deficits, our patients are suffering increased denial of specialty providers as hospitals are refusing to accept our patients. Our service unit is forced to transfer funding from contract health services to purchase pharmaceuticals, while the Area Office budgets increase. Certain unfunded mandates for commissioned corps salaries and Area Office costs are crippling our capability to provide health care and restrict actual needed medical care.

Dental services are lacking adequate funding support to accommodate the needs of our reservation community. We are limited to providing only one day of service per week and our patients are expected to utilize surrounding dental care units miles from the reservation. Our mental health care needs are severely conditioned by the funding disparity within the service unit. Our People deserve the utmost attention to address the needs to provide acceptable levels of professional clinical services.

We thank Congress for providing $35 million for prevention and treatment of diabetes. We would use this funding amount to supplement and increase our ability to address the large alcoholism problem, which plagues every sector of Indian Country. Unlike diabetes, alcoholism affects the entire family. Alcohol related accidents are the number one killer of Indian People under the age of 40 and alcohol related deaths are 10 times higher than that of Caucasian populations. Diagnosed alcoholism is 10 times greater than that of any other category of People. We urge Congress to commit funding support to enhance our ability to combat a historical and longstanding problem.

Our child abuse cases are among the high levels of our society. The Indian Child Welfare Act provides abilities to address the needs of Indian children, but without adequate funding levels, we are restricted to limit services to that of our penal systems. Child placements are a high cost to our Tribe, from which we can envision funding for pragmatic skills enhancement, parenting skills and family unity education programs. Our society has become highly dependent on federal services to absorb costs, which at times those costs are not supportable. Therapeutic based services provide welcomed intervention to families rather than forceful or court ordered counseling sessions. A positive approach is the best manner to address the problems related to social ills on our reservation. Our People will be the beneficiary of these supportable services through this funding.

Housing Improvement Program: $100,000

Our Tribe has incredible unmet housing needs with the majority of our homes built over 20 years ago. Most of the housing is below standard living conditions. Our elderly are the sector of our population that has lived in such substandard and poverty levels. This funding will be used to address housing needs such as water and sewer service, renovation, insulation and utility upgrades. HIP grants will help us to bring many homes of our members up to a livable standard.

Cultural Resource Preservation: $300,000

The overall land acreage of the reservation requires an immense level of resources to monitor and police areas of sensitivity. Uninvited encroachment, vandalism and trespass issues are the primary violations on the reservation. The Tribe has the ability to represent concerns and issues before federal and state agencies, but does not have the financial ability to organize an effort to work cooperatively and in conjunction with such agencies. The aboriginal territory of the Northern Paiute encompasses five states and crosses many jurisdictional boundaries. The Tribe will be responsible for planning and developing stringent representative measures to protect and preserve our vast amounts of cultural resources.

Law Enforcement: $500,000

Tribal law enforcement requires having the ability to effectively enforce tribal laws and regulations upon many visitors to the reservation, which also includes enforcement upon Tribal members. In enforcing the regulatory requirements for law and order, fish and game and ordinance compliance, this funding will provide a greater ability to work cooperatively with federal officials, state officials and local jurisdictions. It is important that our tribal government accept and support the needs of adequate law enforcement for proper enforcement measures to meet community safety needs of our reservation. We also want to call the Committee's attention to the lack of investigation abilities of our Tribal law enforcement. Many crimes on the reservation are not recognized by the Attorney General as important to the United States, so many acts of vandalism, arson, theft and property crimes go unpunished because the Tribe does not have investigative certification from the Bureau of Indian Affairs or any other federal agency.

Judicial Services: $400,000

Tribal judicial services includes providing court jurisdiction over civil and criminal matters occurring within the exterior boundaries of our reservation. We conduct both juvenile and adult court on a regularly scheduled basis. Much of our violators are tried in civil matters, while many are tried in criminal matters. This funding will provide for additional costs in locating our entire judicial services in a self-contained facility already established on the reservation, but aside from the administra-

tive operations on the Tribe. We require this funding support for elevating the services of our employee duties and responsibilities of our two judges, court clerk, prosecutor, defense advocate and probation officer. This will enhance our ability to better serve law and order of our reservation.

Policy Issues:

BIA and IHS Reorganization.—As Congress continues its review of the reorganization of the Bureau of Indian Affairs, there are serious concerns with respect to the structure of the BIA which provides actual services to reservation communities. The structure of the BIA, its Area offices and its BIA Agency offices tend to regulate the authority of this federal agency. The services provided through the Interior appropriation process gets into the system, but normally the Area and Agency offices tend to absorb the funds intended for Tribal programs on the reservation. It is a matter of reducing the bureaucracy causing setbacks, but not cutting funding for services that actually reach Indian Tribes.

The Tribal Priority Allocation (TPA) funding must be increased as many of the people based services are in direct association of this funding source. The BIA and other federal costs must not be expended from this TPA source, as the trust responsibility and regulatory compliance is retained within the BIA system. Tribes should not be charged with unnecessary costs that is a federal obligation to afford its own ability to address its bureaucratic problems without reducing needed funding for our TPA programs.

The IHS is in the same situation. The services are not received at adequate levels. It is the Area Office and the Headquarters where the bureaucracy absorbs the funding intended to provide services on the ground. The purpose or reorganizing the IHS should be viewed as one to increase the services at the reservation. It is our recommendation that the process of restructuring the IHS not result in reduced funding for direct Tribal services. Tribal members are eligible for Medicaid and Medicare, but the IHS system offers their services as a supplement, not as an addition to the care provided. Although new medications are introduced to Indian populations through the IHS, our patients do not see the research and study results prescribing safe new drugs to IHS pharmacies. As a result, we are treated as experimental subjects while our illnesses and diseases are not effectively diagnosed, this is unacceptable. Our People cannot be treated as expendable to a bureaucracy controlled agency who may not utilize its own services upon its own families.

Sovereign Immunity.—Legislation pending in the Senate, S. 1691, which aims to eliminate the sovereign status of Indian Tribes. If each member of Congress can expect its representative State to waive its limited and conditioned sovereign immunity, this bill may be viewed as fair, but until then this is form another form of a coward's attack. S. 1691 is a meat axe approach to problems that are merely misapplied perception of non-Indian communities without merit. In a broad scope, this bill will gut Tribal sovereign immunity without protection for Tribal authority to govern Tribal affairs. S. 1691 findings are not valid and are a blatant disregard to the United States' fiduciary obligation to Tribes. This issue is not considerable by any means.

Trust Responsibility.—The federal trust responsibility is one that our People know well and is one that I cannot allow to be overlooked or placed secondary to resources of material content. We are People of this land, the first People of this land and express our concern for equal, if not better, services for our People than has been provided by the Congress over the past 20 years. We expect that the concept of government to government relations be upheld by the each and every federal agency of the Interior Department. As long as we can effectively consult with each agency in decision making processes, there will definitely be an increased awareness to trust the ability to meet our expectations.

DEPARTMENT OF ENERGY

PREPARED STATEMENT OF THOMAS H. ALTMEYER, SR., VICE PRESIDENT, GOVERNMENT AFFAIRS, NATIONAL MINING ASSOCIATION

The National Mining Association's (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 including iron ore, copper, gold, silver, uranium, lead, zinc, and phosphate. The purpose of this statement is to present the mining industry's views on fiscal year 1999 programs for the following agencies: Office of Energy Efficiency and Renewable Energy, Office of Fossil Energy, Energy Information Administration, U.S. Geological Survey, the Office of Sur-

face Mining, the Bureau of Land Management, Advisory Council on Historic Preservation and the Forest Service.

Office of Fossil Energy

One of our major challenges as we enter the 21st century will be both replacement and expansion of the electric generating capacity of our nation. By 2020, according to EIA forecasts, we will have to add the capacity to generate up to 1.7 trillion more kilowatt hours than in 1997 (a 45 percent increase). In the same timeframe, much of existing capacity will be reaching its useful life, or must be relicensed. As we build new, to replace old and to meet new demands, we must be in a position to utilize the more efficient and cleaner technologies that DOE is developing through its R&D Programs. NMA supports continuing the Federal government's partnership with the private sector as an integral part of the foundation for enhanced utilization of our vast domestic energy resources.

Vision 21.—DOE's Vision 21 proposal builds on technology advancements already being made by the Fossil Energy Program through the integration of ongoing research and development in advanced coal gasification and combustion, fuel cells and advanced coal conversion technologies. The "energyplex" concept incorporated in Vision 21 is integral to the effort to make the coal conversion process as close to a "zero emission" goal as possible by the middle of the next century. NMA strongly supports this concept.

Research and development dollars spent to increase efficiencies of utility generating capacity have a greater potential to reduce overall energy use (and thus all emissions) than dollars spent to increase the efficiency of end use applications. For this reason, NMA supports focusing the majority of available research dollars to development and refinement of generation technology. DOE funding to continue the advanced clean/efficient power systems (advanced pulverized coal-fired power plant, indirect-fired cycle, high-efficiency integrated gasification combined cycle and high-efficiency pressurized fluidized bed) and carbon sequestration technology should be increased by the Congress.

The Clean Coal Technology Program.—The Clean Coal Technology Program is a highly successful industry and government partnership designed to demonstrate a new generation of innovative coal processes. Many of the technologies developed by the program will be an integral part of the energyplex as envisioned by "Vision 21." NMA supports the budget request to continue the Clean Coal partnership, which to date has been funded at approximately a 60/40 private industry to government ratio to obtain the multiple benefits derived from coal utilization both domestically and internationally.

Coal Research and Development.—The subcommittee should provide adequate funding for coal preparation and direct and indirect liquefaction. Advanced coal preparation technologies promise to enable the nation to continue use of coal in traditional applications in large industrial and electric utility boilers. Development of cost effective liquefaction technologies will open new opportunities for high quality coal use in turbines for power and for liquid fuels. These systems are important both as an insurance policy against the disruption of imported oil to the U.S. and a necessary investment in establishing an economically viable liquid fuels program.

National Laboratories and Cooperative R&D Programs.—The Department of Energy should continue its emphasis on making maximum use of its existing research facilities, including those national laboratories which traditionally have not been active in fossil energy. The National Laboratory system is important to the future of the mining industry steering R&D Programs for more efficient combustion technologies, and since the demise of the Bureau of Mines, a research program to enhance extraction technologies. Cooperative R&D Programs such as the Western Research Institute in Wyoming and the Energy and Environmental Research Center in North Dakota have demonstrated value because of their potential for near-term payback through commercialization and should continue to be supported through the DOE budget.

Office of Energy Efficiency and Renewable Energy

The Industry of the Future Program.—The research priorities developed through this industry/government partnership will offer important direction to the Department of Energy, industry and the Congress in developing a research agenda in coming years. The mining industry is working with the Office of Industrial Technologies to develop technology road maps for the mining industry which will be completed in the fall of 1998. NMA urges the subcommittee to approve the funding level requested by DOE for this program.

Energy Information Administration

In addition to its value to the nation, the functions performed by the Energy Information Administration (EIA) are of significant importance to the mining industry. EIA's unbiased analysis and independent short- and long-term forecast form the basis for reasoned and responsible policy decisions by the Congress, the DOE and other government agencies on both the Federal and the state levels. EIA's independence and objectivity are extremely important as the nation evaluates the merits of the proposed Kyoto Protocol on Climate Change and the effects on new energy systems should the protocol be ratified. EIA's energy data collection and dissemination responsibilities are essential to our industry's ability to evaluate production and market trends and to make investment decisions which benefit the nation. NMA urges the subcommittee to support the increase in funding proposed for the EIA.

Office of Surface Mining

The Office of Surface Mining's Regulation and Technology appropriation should be regularly evaluated in light of acknowledged maturation of approved state regulatory programs over the last 20 years. The mining industry supports the agency's new results-oriented oversight system that emphasizes the effectiveness of state programs rather than the ill-conceived duplicative regulatory approach to oversight. Additional opportunities exist to streamline and reduce the number of OSM activities that duplicate state regulatory functions including consolidation of existing OSM offices and positions. State program grants, technical information processing systems, training state personnel, review of state program amendments and electronic permitting activities can and should continue to be enhanced as OSM streamlines its structure.

The mining industry supports increasing the Title IV funding for these state abandoned mine land programs where priority coal projects remain to be addressed. We urge the subcommittee to require continued improvements by OSM and states in the efficient use of abandoned mine land (AML) dollars for on-the-ground priority, coal projects. Excessive expenditures for administration and overhead costs, as well as for projects unrelated to AML priorities should be discouraged. The mining industry would also note that the coal mining industry continues to pay substantially more in AML taxes than is used each year. This disparity of excessive revenue over expenditures—more than $100 million annually for the last three years—has pushed the cumulative unappropriated balance of the AML Fund to almost $1.5 billion.

Bureau of Land Management and the Forest Service

National Mining Association members are engaged in extensive exploration for and development of minerals on public lands. These lands are the cornerstone of the nation's mining industry. In turn, mining operations on public lands generate taxes and employment. In many cases, mining activity is the major source of employment in rural communities.

Absent reform of the Mining Law, the mining industry opposes the Administration's proposal to make the annual maintenance fee for mining claims on federal lands permanent and to a continuation of a moratorium on patenting. The mining industry continues to support legislative proposals to amend the mining law and has consistently sought to advance economically sustainable modifications including a royalty; payment for surface land with a reverter to the Federal government if used for nonmining purposes or upon completion of mining; and a claims holding fee. Last year, the industry signed a historic agreement with the Western states to identify and work toward elimination of disincentives to the cleanup of abandoned hardrock mine lands and other purposes. Work on the Abandoned Mine Land Initiative (AMLI) is proceeding cooperatively under the auspices of the Western Governors' Association. Any additional revenues collected from the industry for administration of the mining laws should be directly returned to the states where the AMLI activity is occurring to assist the ongoing effort.

The mining industry, as well as other natural resource industries, is faced with increasing impediments to exploration and use of Federal lands. A significant, yet declining, amount of domestic minerals production activity is conducted on Federal lands. Withdrawals of land from exploration by executive fiat and through moratoria, as recently proposed by the Forest Service, coupled with NEPA compliance and permitting delays of as long as eight years, are resulting in a marked decline in domestic exploration and mine development activity—particularly on land areas under the control of the BLM and Forest Service. A number of major mining companies have significantly scaled back or terminated U.S. exploration activities. As a result, our nation's ability to continue to domestically produce the 40,000 pounds of minerals annually consumed per citizen is being placed in jeopardy.

The mining industry would suggest that an independent assessment of the ramifications of this trend on domestic production and minerals availability would greatly benefit policymakers in evaluating current and future land use policy. The mining industry recommends that the Congress direct the National Academy of Sciences through the Board on Earth Sciences and Resources to prepare such an independent analysis on an expedited basis.

Pending submission of such an analysis to the Congress, the industry suggests that the use of Federal resources to conduct ongoing regulatory activity such as BLM's revisions to the Surface Management Regulations, which would duplicate existing state programs, and the Forest Service's proposed 30 million acre moratorium on multiple use be placed in abeyance.

Available resources in both BLM and the Forest Service should be utilized for permit processing and NEPA compliance including an accelerated effort by the Council on Environmental Quality (CEQ) to identify and eliminate impediments to the orderly and timely conduct of NEPA analysis by the Federal, state, and private sectors. A recently completed analysis by the mining industry, which identifies existing problems in the administration of the NEPA, has been provided to the CEQ, relevant Federal agencies and the Congressional authorizing committees.

Clean water and watershed restoration initiative

The budget proposal highlights its commitment to the Vice President's clean water initiatives. In several places in its "Budget in Brief" the Department of the Interior refers to programs designed to clean up abandoned hardrock mines (AML sites). Six million can be identified in the BLM request, three million in the USGS request and $100,000 in the OSM request have been identified for hardrock AML cleanup. Additional analysis of the full budget document may uncover additional requests from these and other bureaus. EPA and other agencies may have made similar requests. However, history records that government agencies compete, rather than cooperate, with each other and states in their efforts. The result is that the appropriated money never "gets on the ground." Further, efforts to clean up these sites are frequently inhibited by barriers and disincentives to state-led voluntary cleanups. NMA recommends that Congress urge Interior through the USGS, BLM, and OSM and other agencies to participate in, rather than circumvent, state-led initiatives to perform cleanups and help identify and eliminate the administrative, regulatory, and statutory impediments to effective abandoned hardrock mine restoration.

U.S. Geological Survey

Federal investments in geoscience research and information have for decades paid enormous dividends, and the rationale for continued support of geoscience remains strong. For example, there is a demonstrated need for an integrated national effort to provide information about natural resources and geologic hazards. In addition, the USGS prepares geologic maps utilized extensively in both the public and private sectors. The Survey is the only source for much of the statistical data on mining and minerals commodities. This information forms the basis for informed policy decisions by government and is extensively used by industry, nongovernmental organizations and academia. Therefore, NMA strongly advocates that these data collection and dissemination activities continue to be funded and carried out by USGS in conjunction with state geologists.

Advisory Council on Historic Preservation

The Advisory Council on Historic Preservation continues to move forward on their rule amending their regulations implementing § 106 of the National Historic Preservation Act. NMA commented on the Council's proposed rule in November, 1996, stating that the Council's: "* * * attempt to expand its limited role under § 106 in a manner that transcends its statutory authority pervades almost the entire rule." The subcommittee should closely monitor the Council's rulemaking activity to ensure that the Council: (1) completes its report and allows Congress sufficient time to respond, if necessary; and (2) promulgates regulations that do not exceed its limited commenting role under § 106.

PREPARED STATEMENT OF THE BUSINESS COUNCIL FOR SUSTAINABLE ENERGY

INTRODUCTION

The Business Council for Sustainable Energy (BCSE) is pleased to offer its views on the role of government in support of energy research, development, and deployment (RD&D)—as it relates to energy efficiency programs at the U.S. Department

of Energy (DOE). The BCSE is a diverse group of companies and industry trade associations; our members include manufacturers, energy producers, suppliers, distributors, and energy service companies. The BCSE has Fortune 500 companies and small entrepreneurial businesses as members. The Council supports energy policies and programs that enhance the nation's economic, environmental, and national security goals through the rapid development and deployment of efficient, non- and low-polluting energy technologies.

The Council is highly supportive of the Administration's fiscal year 1999 request for energy efficiency and alternative energy programs. The years 1997 and 1998 stand to be watershed years for energy policy in the United States due to a convergence of at least three substantial events. They include: (1) The international climate change negotiations in Kyoto, Japan; (2) The emergence of state and impending federal electric industry restructuring; and (3) The possibility of Clean Air Act re-authorization. The BCSE believes that the least intrusive and most efficient means of addressing domestic and international environmental challenges is to promote cost-effective clean energy technological solutions. The BCSE supports the view that the federal government has an important role in working in cost-shared partnership with U.S. industry toward the accelerated development and deployment of energy-efficient and alternative fuel technologies.

The federal government's energy efficiency programs are as diverse as the activities that consume energy. Given their breadth, the BCSE will not attempt to address all of DOE's energy efficiency programs. Rather, we would like to focus on a few programs that the BCSE believes illustrate the value of the federal government's energy efficiency effort.

ALTERNATIVE FUEL VEHICLES

Transportation is the fastest growing energy consuming sector. Most of the forecasted increase in demand for petroleum imports is driven by the growing consumption of motor fuels. In 1996, DOE reported that approximately two-thirds of all U.S. petroleum consumption and one-fourth of all U.S. energy consumption are directly attributable to the transportation sector. Demand for energy in this sector is actually projected to grow faster than approximately two-thirds of all U.S. petroleum consumption and one-fourth than the population due to increased per capita travel and slower fuel efficiency gains. Alternative fuel vehicles (AFV's)—including natural gas and electric vehicles—promise to reduce U.S. reliance on imported oil while virtually eliminating emissions of criteria air pollutants. The Administration has been very active in promoting its Partnership for Next Generation Vehicles (PNGV).

BATTERY TECHNOLOGY

A key component of PNGV includes advanced battery technologies for electric (EV) and hybrid vehicles. DOE has conducted research, in cooperation with the Advanced Battery Consortium that has led to significant improvements in battery performance. The Ovonic Nickel-Metal Hydride battery—produced by Council member Energy Conversion Devices—has met or exceeded the performance goals set by the Consortium, affirming the future market viability of EV technologies. Although the technology is ready for market introduction, further advancements in battery technology are required before the electric vehicle becomes commonplace.

NATURAL GAS VEHICLES

While the BCSE is pleased with the Administration's increasing budgets for PNGV, the Council is also very supportive of natural gas vehicle (NGV) research. At this Subcommittee's request, the NGV industry and DOE entered into a joint five-year research plan. The BCSE supports full funding for the Plan. Accordingly, the BCSE supports DOE research for engine optimization, tank storage, and infrastructure equipment. DOE's emphasis should continue in the industry's priority areas of high-fuel use medium- and heavy-duty fleet vehicles. Finally, the BCSE continues to be a strident advocate of the Clean Cities program and its successful effort to create and expand AFV corridors.

COMBINED HEAT AND POWER

The BCSE supports the highly leveraged advanced gas turbine, fuel cell, and cogeneration research programs being conducted at DOE. The Advanced Gas Turbine system offers extremely high efficiencies and low emissions. The BCSE believes that clean distributed power generation systems will have a remarkable impact in the electric market in the coming years. The BCSE supports full funding for both the industrial-scale and large generation turbine programs. These programs have served

as a model for public/private partnership. In terms of hybrid systems, the gas turbine has great potential for hybrid applications with other devices. One option is a natural gas-fired fuel cell/gas turbine hybrid system that can use waste heat from the fuel cell to drive the gas turbine as a bottoming cycle. The Council supports DOE forays into promising hybrid systems of this nature. The Initiative also encourages DOE to continue work on microturbine (ten to hundreds of kilowatts scale) development under the Office of Transportation programs.

FUEL CELL TECHNOLOGIES

One of BCSE's members, International Fuel Cell/ONSI, has a commercially available Phosphoric Acid Fuel Cell (PAFC) on the market for dispersed electricity generation. More fuel cells will be available in the future in a variety of sizes to fill diverse power-generating needs. High-temperature, natural gas fuel cell systems that are currently under development may ultimately be able to 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. Further development of all fuel cell types must focus on refining system designs to reduce costs, improving performance, reducing maintenance requirements and developing the manufacturing technology needed to achieve a market-clearing price. In order for PAFC's to achieve full commercial status manufacturing challenges will need to be overcome. However, the lessons learned will have a wider application and will make U.S. technology more competitive in the global marketplace.

The two principal U.S. developers of Molten Carbonate Fuel Cells (MCFC) are pursuing different paths in the designs of their cells, stacks, and power plants. The BCSE supports the diversity of the two-developer approach. DOE must also play a leading role in initiating MW-scale demonstrations of the MCFC and Solid Oxide Fuel Cell (SOFC) technologies to validate commercial feasibility, build user confidence in the technology, and attract the investment needed to build a manufacturing capability.

HEAT PUMPS, GAS COOLING AND APPLIANCES

Natural gas cooling technologies are especially energy efficient when measured on a life-cycle and/or full-cycle basis. The societal benefits of natural gas cooling accrue during the hours of the day and months of the year that correspond to the peak demand for electricity. A study by the Oak Ridge National Laboratory in 1994 estimated that the domestic and international use of natural gas cooling will create a net 270,000 annual jobs between 1996 and 2010. This would create and additional $8.3 billion in wage and salary income. By investing in advanced gas cooling technologies, U.S. industries will also be able to capture the growing global market for clean efficient technologies. The BCSE is highly supportive of these programs and places great emphasis on robust research for the GAX and large commercial chiller programs.

The BCSE supports DOE's research and training programs on desiccant dehumidification devices. Desiccants offer the option of decoupling temperature from humidity loads on a building, thus applying exactly the amount of energy needed to satisfy each load independently. DOE is participating in the improvement of this potential new market by studying the properties of newly developed desiccant materials. Further materials characterization, combined with analysis of the effects of desiccant wheel structure and mass on desiccant equipment performance, offer the potential to improve desiccant system economic effectiveness.

DOE should also continue its research and development of energy efficient appliances in residential and commercial buildings, particularly those that utilize alternative fuels. There is an inherent conflict between national increased efficiency requirements and consumers' desire for lower first-cost equipment. Increased-efficiency systems, while offering lower energy costs and (usually) lower life-cycle costs, are increasingly more complex and more expensive than lower-efficiency equipment. Increased research is needed to solve this paradox between efficiency requirements and consumer desires.

In addition to balancing the energy efficiency needs of new appliances with consumers' demands, DOE should educate consumers about the benefits of purchasing high-efficiency appliances, both to themselves and the nation as a whole through reduced energy consumption. Major appliance manufacturers such as Maytag are willing to work with DOE to help promote efforts to encourage consumers to replace older appliances with newer and more energy efficient models.

UTILITY PROGRAMS

DOE also has worked 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 their 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. In fact, SMUD attributes its aggressive support for energy efficiency as a primary reason it has been able to stabilize its electricity rates.

STANDARDS AND INSULATION

DOE has played a constructive role in providing educational and technical support of building codes and standards such as the Model Energy Code and ASHRAE 90.1. These codes and standards—promulgated by private-sector organizations—help ensure that our nation's housing stock reflects good building construction practices and is reasonably energy efficient. In addition, DOE is currently providing educational and technical support to help industry implement the guidelines. 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.

FEDERAL ENERGY MANAGEMENT

Finally, the BCSE is extremely supportive of the Federal Energy Management Program (FEMP) efforts at reducing federal energy usage through the use of energy service performance contracting, reducing energy usage while minimizing up front capital outlays. The federal government spends over $3 billion annually to light, heat and cool the interior of buildings it owns and operates. FEMP's progressive program is a model of public/private partnership. Federal facilities, like those occupied by private industry, often can be economically upgraded and retrofitted, reducing the energy required to provide essential building energy services. The BCSE is proud that two of its members, Honeywell and Pacific Enterprises, won DOE competitive regional solicitations to perform this important work. We believe every agency of the federal government should increase its utilization of energy service performance contracts to take advantage of this approach for upgrading facilities and reducing energy expenditures.

CONCLUSION

The Council recognizes that the Administration's fiscal year 1999 request for energy efficiency programs represent an increase over fiscal year 1998. However, the BCSE believes that the federal government's participation in cost-shared public/private partnerships aimed at developing cost-effective non and low-polluting technologies is the best and least intrusive manner for the government to address our environmental challenges.

PREPARED STATEMENT OF KERRY L. SUBLETTE, SARKEYS PROFESSOR OF ENVIRONMENTAL ENGINEERING, UNIVERSITY OF TULSA; DIRECTOR, INTEGRATED PUBLIC/PRIVATE ENERGY AND ENVIRONMENTAL CONSORTIUM [IPEC]

"TRAIN THE TRAINER": EXPANDING ENVIRONMENTAL KNOW-HOW AMONG NATIVE AMERICANS

Damage from past oil production can be found throughout historically active oil and gas producing areas of Oklahoma. Perhaps one of the most persistent problems is contamination resulting from spills or intentional surface discharge of produced water brine. The sites of these spills are seen today as scars on the land, devoid of vegetation, and highly eroded. In many cases the parties responsible for these brine spills can no longer be identified. For example, historic brine scars are clearly visible on aerial photos from northeast Oklahoma from 1937. Historic brine scars not only represent a loss of use of land but also a continuing source of pollution of valuable surface waters and groundwater. Many of these brine scars are located on tribal lands near public and private sources of drinking water. These sources of drinking water are jeopardized by runoff and drainage from brine scars carrying brine components. The only way to prevent these scars from acting as continuous sources of brine contamination is to remediate them. However, local tribal authorities rarely have the environmental know-how to remediate these problems although

the remediation of crude oil spills and brine scars does not require expensive instrumentation or highly trained environmental professionals. Members of tribal organizations with a high school education can be easily trained to do site assessment, site remediation, and, where necessary, ongoing monitoring. The major equipment required is earth moving equipment. Most tribes have equipment of this type currently used for road work and other municipal projects. Once trained, members of the tribes can train others to perform these remediations.

The University of Tulsa respectfully requests an appropriation of $500,000 for fiscal year 1999 to provide much-needed training in remediation and spill response to tribal organizations in areas of the State of Oklahoma impacted by past oil and gas exploration activities. The ultimate goal of this training will be give Native Americans environmental know-how that they can pass on to others.

INTEGRATED PUBLIC/PRIVATE ENERGY AND ENVIRONMENTAL CONSORTIUM (IPEC)—A PROGRESS REPORT TO CONGRESS

In fiscal year 1998, after a three year campaign and the strong support of the Oklahoma Congressional Delegation, the Congress provided $1.5 million in dedicated funding for the Integrated Public/Private Energy and Environmental Consortium (IPEC), for the development of cost-effective environmental technology and technology transfer for the domestic energy industry. The funding was provided in the fiscal year 1998 appropriations bill for the Environmental Protection Agency (EPA). As envisioned and proposed by the consortium, State-level matching funds have been pledged to support IPEC, creating a true Federal-State partnership in this critical area.

IPEC officers have met with the Agency and are working to satisfy all of EPA's internal requirements for funding as a research center. Although it will be some months before IPEC finalizes a grant with the EPA, IPEC is proceeding in our solicitation and review process so that we will be in a position to fund projects as soon as funds are made available. We have solicited research proposals, formed our Industrial Advisory Board, and had all proposals evaluated by the IAB for relevancy to our mission. Of 36 proposals received thus far, five have been approved by the IAB to proceed further in the evaluation process. So you can see our IAB takes its job very seriously.

Although IPEC's close ties to the independent sector of the domestic energy industry have resulted in a strong working relationship with the National Petroleum Technology Office in the Office of Fossil Energy, IPEC continues to have broad applicability across the Department of Energy. For example, IPEC is in the second year of a major three-year effort to support risk-based regulatory decisions at hydrocarbon-contaminated sites. This work is funded by the Biological and Environmental Research (BER) Program of DOE ($973,000). Further, as I noted previously, IPEC's Industrial Advisory Board has thus far approved five research topics as relevant to our mission. Of these five, four concern bioremediation of contaminated soils using plants and microbes, issues relevant to the missions of both FE and BER.

Fiscal Year 1999 Office of Fossil Energy Budget Request

In its presentation of its fiscal year 1999 budget request, the Office of Fossil Energy proposes a significant increase in fiscal year 1999 for the development of technologies that decrease the cost of effective environmental protection and regulatory compliance. These goals are certainly consistent with those of IPEC and we endorse the proposed budget increase. However, the fiscal year 1999 proposal eliminates funding for downstream (i.e., refining) processing technology. The Nation needs to continue to improve the economic viability of our remaining refineries and prevent further lost of domestic refining capacity. Therefore, IPEC urges the Subcommittee to continue funding of this vital research in fiscal year 1999.

PREPARED STATEMENT OF KATERI CALLAHAN, EXECUTIVE DIRECTOR, ELECTRIC TRANSPORTATION COALITION

INTRODUCTION AND OVERVIEW

This testimony is presented on behalf of the Electric Transportation Coalition (“the Coalition”), a national, non-profit organization of electric utilities, automobile manufacturers, state and local governments and other entities that have joined together to advocate greater use of electricity as a transportation fuel. (A membership list is attached.) A principal activity of the Coalition, which was formed in 1989, is to encourage the adoption of incentive-based policies and programs to support the

development of a widespread and sustainable market for electric modes of transportation.

The Coalition believes the role of the federal government, in partnership with industry, is four-fold. First, to continue to participate in efforts to advance the state of electric transportation technologies through programs like the United States Advanced Battery Consortium (USABC); second, to join industry in the test and evaluation of the latest electric vehicles technologies through programs like the Department of Energy (DOE) Field Test and Evaluation program; third, to work with communities and industry to assure deployment of infrastructure required to support the convenient and safe operation of EV's; and fourth—and perhaps most important at this stage in EV commercialization—to use the purchasing power of the federal government to "kick start" the market for EV's through acquisition of commercially-available products for use in federal agency fleets. The Coalition requests that the Subcommittee provide funding to a number of DOE EV-related programs, as detailed below, to assure that the federal government is a full partner with industry in introducing technology that can further the national policy objective of increasing the use of clean, domestically-produced, alternative fuels—like electricity—within the transportation sector.

INDUSTRY GOALS AND OBJECTIVES

Three years ago, the Coalition adopted a strategic business plan to assure the successful commercial launch of electric vehicles (EV's). The plan, known as the "EV Ready Market Launch Framework" calls for the building of a partnership between the auto industry, the electric utility industry, the federal government and several key communities around the U.S. to establish the basis for a long-term and sustainable market for EV's. The goal of our plan is to demonstrate the viability of EV's through the successful deployment of up to 5,000 EV's in ten urban areas.

To achieve this goal, the Framework focuses on preparing the infrastructure systems in the ten target communities to support electric vehicles. Under the plan, "infrastructure" is defined to encompass not only charging systems, but also financial and non-financial incentives, training, code and standard modifications, and public awareness.

The six principal elements of the Framework, which are intended to direct and guide industry and government in efforts to launch the EV market are: Initiation of a commercial demonstration of up to 5,000 EV's in up to ten areas throughout the U.S.; Government (federal, state and local) purchase an agreed-upon number of EV's; Utilities in selected areas purchase an agreed-upon number of EV's and secure investment of up to $2,000 per vehicle for charging infrastructure; Vehicle manufacturers will provide, and support the sale of EV's to selected areas; Auto and electric utility industries will seek a $10,000 per vehicle government incentive to offset the initial incremental cost differential for EV's; and, Auto and electric utility industry will seek to ensure that one-half of the vehicles placed through the Framework are equipped with advanced batteries and/or other enabling technologies.

ROLE OF DOE IN MEETING INDUSTRY GOALS AND OBJECTIVES

A number of the on-going DOE EV-related programs are providing critical support to a number of areas that are key to the success of this new, efficient and clean transportation technology. These DOE programs complement, and augment, other work that is being undertaken by industry separately or in partnership with other federal agencies. If fiscal year 1999 appropriations for these DOE programs are significantly reduced or eliminated, the requirements for funding would fall to other parties who may not be able to increase investments even further in order to move this technology into the marketplace.

THE UNITED STATES ADVANCED BATTERY CONSORTIUM (USABC)

The Coalition urges support for the funding level of $7 million requested by the Administration for the USABC. (In fiscal year 1998, the Congress appropriated $15.8 million to this program.)

The USABC is a battery research and development program, critical to the advancement of EV's. Full-size battery packs and their components, such as cells and modules, are being developed through research contracts and then tested by the developers, U.S. automobile companies, and national laboratories. Battery packs also have been installed in prototype EV's being operated at electric utilities and testing facilities of U.S. automobile companies.

It is important to note that without the limited federal assistance already invested, the advancements in battery technology accomplished to date through the USABC probably would not have been achieved. Individually, companies cannot, or

are unwilling to, make the significant investment required to conduct advanced battery research. Largely as a result of the USABC partnership, all three domestic automotive manufacturers have announced that nickel metal-hydride batteries will be offered in limited numbers of EV's beginning later this year.

The majority of fiscal year 1999 funding will be directed toward long-term, lithium-based battery research; however, the Coalition urges the USABC to consider using some of the funding being sought for the program to help "buy down" the purchase price of early-to-market nickel metal-hydride batteries.

FUNDING FOR THE HYBRID PROPULSION SYSTEMS DEVELOPMENT PROGRAM

The Coalition supports efforts underway by industry and by the federal government working with industry to develop a consumer attractive, ultra-low emission vehicle with high fuel economy. While continuation of the Department's Hybrid Propulsion Systems Development Program is supported by the Coalition, it should be noted that international and domestic auto manufacturers appear to have stepped up individual efforts to develop hybrid electric vehicles. Indeed, as of the end of 1997, Toyota began selling hybrid electric vehicles in Japan for approximately $17,000 per vehicle.

The Coalition urges the Department and its partners to review the interim and long-term goals of the program to determine whether modification to the goals and/or scope of work is required given the new hybrid electric vehicle availability dates announced by the automotive industry. (Currently, the interim goal of the hybrid propulsion program calls for completion of production feasible hybrid propulsion systems that can double the fuel economy of passenger vehicles, compared to 1995 models, by all three domestic auto manufacturers by the year 2000. The long-term goal is to develop a production prototype hybrid electric vehicle, which will meet the PNGV goal of 80 miles per gallon, in the year 2004.)

FUNDING FOR THE VEHICLE FIELD TEST AND EVALUATION PROGRAM

The Coalition urges the Subcommittee to fund the Vehicle Field Test/Evaluation program at $5.45 million, or $2 million above the level recommended by the President. The program provides critical federal support to industry efforts to test, evaluate and undertake fleet case studies of electric vehicles manufactured by original equipment manufacturers. Two test teams, known as "Quality Vehicle Test Sites (QVTS)" have been selected under the program to establish a uniform set of procedures to be used in undertaking baseline performance, reliability and fleet testing of EV's and for the conduct of such testing on EV's as they become available.

Importantly, some of the funds made available in fiscal year 1998 through this program are to be used by the Department to acquire, and to assist other agencies in acquiring, electric vehicles for use in the federal fleet. DOE intends to focus federal acquisitions of electric vehicles on those equipped with advanced batteries that have been developed through the United States Advanced Battery Consortium. The additional $2 million in funds being requested by the Coalition for this program can allow the federal government to acquire at least 500 EV's as part of its obligation, under the Energy Policy Act of 1992 (Public Law 102–486), to transition to the use of alternative fuel vehicles (AFV's).

An announced goal of the Department for fiscal year 1999 is to add 15,000 AFV's to the federal fleet. (Generally, the federal government acquires roughly 40,000 to 50,000 vehicles annually.) Currently, the federal government operates only about 150 EV's in its entire fleet of more than 400,000 vehicles. Further, current 1998 federal agency acquisition plans indicate that there may be no more than 200 EV's operating in the federal fleet by the end of 1998 unless further action is taken.

The Coalition appreciates the Subcommittee's position that all costs for AFV's should be borne by the federal agency acquiring the vehicles. However, we believe that in the instance of electric vehicles an exception to this tenet is warranted for the following reasons:

First, electric vehicle technology has largely been developed through industry and DOE partnerships. The federal government, principally through this Subcommittee, has invested significant funding into the development of this technology; these investments cannot provide a return unless the product (EV's) are commercialized. "Early adopters" who are willing to try new products, and pay a premium for the technology, are key to building volume (thereby lowering costs) and attracting infrastructure and technology improvement investments (thereby improving market potential). The federal government, using its purchasing power, is an extremely important "early adopter" market.

Second, electric vehicles, if successful in the market place, offer significant environmental, energy security and energy efficiency benefits. Even given the emissions

from power plants that result from the creation of the EV "fuel"—electricity—EV's offer significant reductions in VOC's and NO_X, the major precursors to ozone. Further, EV's—which are highly efficient in their use of energy—offer the potential to significantly reduce transportation-related greenhouse gas emissions. And, finally, at a time when the U.S. is importing more than one-half of the oil it consumes, EV's offer the advantage of being domestically-produced, from a wide variety of fuel feedstocks.

The President, through an Executive Order (E.O. 13031) directing federal agencies to convert agency fleets to AFV's, has recognized the need for DOE assistance to the agencies in order to initiate the use of EV's within the federal fleet. The President has directed DOE to provide financial assistance of a limited amount (no more than $10,000 per vehicle) to agencies that choose to acquire EV's to fulfill some or all of their vehicle acquisition requirements.

We are respectfully requesting that the Subcommittee provide relatively modest funds ($2 million) to allow the DOE to assist federal agencies in acquiring a limited number of EV's. These federal acquisitions will be matched—and exceeded—by electric utility acquisitions. And, if the industry is successful in reaching the target level of acquisitions for calendar year 1998—3,250 vehicles into no more than 10 communities, the Coalition believes we will be well along the way toward development of a sustainable market for EV's in the U.S.

OTHER DEPARTMENT OF ENERGY PROGRAMS OF INTEREST

In addition to the programs outlined above, the Coalition also supports funding to a number of other alternative fuel-related programs administered by the Department of Energy.

To assure that the marketplace is prepared and receptive to new forms of transportation like EV's—especially in the ten Market Launch communities—the Coalition strongly encourages full funding, at the levels requested by the Administration, of DOE's programs designed to create an infrastructure for alternative fuel vehicles, including electric vehicles, and to build public awareness and confidence in these new modes of transportation. These funds include $6 million for the Clean Cities initiative; $2 million for infrastructure, systems and safety activities; and, $1.3 million for EPAct replacement fuels programs. These outreach, education, organization and infrastructure deployment activities by DOE encourage investment by industry and help to build market acceptance for alternative fuel vehicles.

CONCLUSION

1998 and 1999 are critical junctures in industry's efforts to determine the type(s) of vehicles that will be used in the 21st century. The automotive manufacturers, government and the electric utility industry have focused upon electric drive systems because of their efficiency, environmental profile and flexible use of fuels. The automotive industry has begun to introduce the first generation of this technology—battery-powered electric vehicles. This Subcommittee can play an important role to assure that we can capture the full return on investments made to date, and realize the national benefits that will accrue from widespread use of EV's by providing adequate levels of fiscal year 1999 funding to the important industry and government partnership programs to advance EV's that are currently administered by the Department of Energy.

PREPARED STATEMENT OF JAMES A. BECK, PRESIDENT, SENECA RESOURCES CORP.

Introduction

Chairman Gorton and members of the panel, I appreciate this opportunity to testify before you. My name is James Beck, President of Seneca Resources Corporation ("Seneca Resources"). I am pleased to be here today to represent the interests of Seneca Resources regarding payment for drainage in the West Delta Field. Congress, under Title IV of Public Law 105–83, the Department of Interior and Related Agencies Appropriations Act, 1998 ("the Act"), provided that the drainage compensation would come from the newly created Environmental Improvement and Restoration Fund ("the Fund"). The purpose of my testimony is to propose methods of payment from the Fund or by other means that would provide the most cost effective disbursement mechanism to satisfy this $32 million obligation.

Seneca Resources and the State are innocent parties that suffered substantial economic loss when they were drained for many years by an offsetting federal lease at West Delta. Even though the drainage was improper and the Minerals Management Service ("MMS") controlled a mechanism to prevent this wrong, the Secretary

of the Interior at the time allowed it to happen and took no action to stop it. Both Seneca and the State pursued a number of measures to end the drainage but were unsuccessful. Although the MMS disputed the drainage occurrence and amounts, a Congressionally appointed Independent Factfinder confirmed that drainage had in fact occurred and determined its magnitude during the period under study. Since the Independent Factfinder's study covered just a three-year period, the $32 million obligation that Congress has recognized represents only a portion of the resources that were drained. Drainage continued after the study was published.

We are pleased that Congress, through this legislation, has again acknowledged the government's obligation to appropriate the funds authorized by Section 6004 of the Oil Pollution Act of 1990 ("OPA 1990"). Seneca Resources, in cooperation with the State, hopes to work with Congress to bring the West Delta Field drainage issue to a close through the fiscal year 1999 appropriations process. It would appear that the newly established Fund is the intended vehicle from which to obtain the compensation. However, if the Fund is somehow not the right vehicle, then we respectfully request an appropriation of $32 million be made in fiscal year 1999 to pay the settlement. In addition, Seneca Resources is willing to explore other options that might be available, such as Outer Continental Shelf ("OCS") royalty relief.

My testimony includes some background on the issue and discusses how the Fund may most efficiently compensate the State and its lessees, including Seneca Resources, for oil and gas drainage in the West Delta Field.

Company Overview

Seneca Resources is a natural gas and oil exploration and production subsidiary of National Fuel Gas Company ("National Fuel"). National Fuel, incorporated in 1902, is an integrated natural gas company with its corporate headquarters in Buffalo, New York. The company has three major business segments: exploration and production and other non-regulated activities, utility operation and pipeline and storage. Seneca Resources is active onshore in Alabama, California, Louisiana, Michigan, New York, Ohio, Pennsylvania, Texas, and Wyoming. In addition, we operate offshore platforms in the Gulf of Mexico off of Louisiana and Texas.

History of West Delta 17/18

In August 1985, the State's lessees and Federal lessees began to produce a natural gas field in the West Delta region of the Outer Continental Shelf ("OCS") that underlies both Louisiana and Federal waters. In November of 1985, the State's lessees began to notify the MMS that a federal lessee was draining the West Delta field at the expense of the State's lessees[1]. Officials at MMS and the Department of Interior ("DOI") disagreed with the lessees, the Governor of Louisiana and the Louisiana Congressional delegation regarding the availability of relief.

On April 17, 1986, Louisiana Governor Edwin W. Edwards formally notified DOI, pursuant to Section 8(g)(3) of the OCS Lands Act Amendments of 1986 (OCSLA) of common reservoirs in the West Delta blocks. When the MMS allowed an acceleration well to be placed on production, the State and its lessees filed a suit (April 25, 1986) against DOI, the MMS and the Federal lessee, seeking to compel the Secretary of the Interior into a unitization or other form of royalty sharing agreement. On May 22, 1986, the MMS changed its policy of cooperation (confirmed May 30, 1986) and resorted back to the outdated Rule of Capture, only to the extent that it applied to an adjoining State's leases. On December 19, 1986, the Federal Court in the Western District of Louisiana held that at West Delta 17/18, the Secretary of the Interior was not obligated to cooperate under Section 8(g) of the OCSLA.

On August 17, 1987, litigation was proceeding concurrently with that in the West Delta unitization, in the Federal Court in the Eastern District of Louisiana. In that case (*Clark*[2]) the MMS was actively asserting its authority to force unitization of adjoining federal leases to avoid the undesirable affects that were fostered by the application of an unmodified Law of Capture at West Delta. The Eastern District Court in that case held that "* * * the Conservation Manager (predecessor to the MMS) intended and was authorized to modify the Law of Capture * * *" and ruled that his "* * * decision to require unitization was a proper exercise of his authority."

To resolve the dispute between the MMS and the State, the DOI and Related Agencies Appropriations Act of 1989 was enacted containing a provision (Section 117) that directed the Secretary of the Interior to appoint an independent fact finder to determine if drainage was actually occurring. On March 21, 1989, Rider Scott,

---

[1] EDC suffered no drainage losses because it also owned an interest in the Federal leases and, therefore, was excluded from the drainage calculation.

[2] *Clark Oil Producing Co.* v. *Donald P. Hodel, et. al.*

the Independent Factfinder, filed the Third Party Factfinder Louisiana Boundary Study with Congress. The report found:

—The State and its lessees had suffered significant drainage of state natural gas and oil resources through the actions of the Federal lessees.

—Total dollar losses to the State and its lessees at West Delta 17/18, in market prices at the time of the drainage, was $18,115,147.16.

—44 percent of the loss was suffered by the State.

—56 percent of the loss was suffered by the State's lessees.

Authorization under OPA 1990

Based on these findings, the Louisiana Congressional delegation sought and obtained a Congressional authorization of appropriations for compensation. OPA 1990, under Section 6004(c), authorized the appropriation of sufficient funds, including interest, to the State and its lessees, for net drainage of oil and gas resources as determined in the Rider Scott study.[3]

Designated Funding

Last year, Congress reaffirmed the obligation to compensate the State and its lessees by establishing the Fund under Title IV of the Act, and designating the State and its lessees, together with certain federal agencies, as beneficiaries of that Fund.

Conclusion

In its inclusion of corrective legislation in OPA 1990, Congress recognized the improper drainage in the West Delta Field and again directed the MMS to employ "the cooperative development of an area" so as to prevent the harmful effects of unrestrained competitive production, including, among other things, "economic waste, environmental damage, and damage to life and property." Last year, under Title IV of the Act, Congress reaffirmed the need and established the Fund from which to compensate the State and its lessees for the West Delta drainage. As stated in that law, a portion of this Fund is to be used "for payment to the State of Louisiana and its lessees for oil and gas drainage in the West Delta Field."

We are pleased that Congress has acknowledged the need to bring this matter to a close and are ready to work to make that happen. The issue at hand is how to most efficiently accomplish this in a cost effective manner to compensate the State of Louisiana and its lessees for the drainage that did occur and for which compensation has been authorized and reauthorized.

Options for Fulfillment of Obligation

Congress has three viable options available to satisfy its obligation to the State and its lessees.

The first option is to pay the State and its lessees from such portion of the 80 percent of the first year's interest generated by the Fund as set forth under Title IV of the Act so as to complete the payment in fiscal 1999, and thereby avoid the further accrual of interest expense. Presuming an annual interest rate on government securities of 6 percent, the Fund would generate $48 million each year. This would be adequate to cover the entire $32 million current obligation and still provide substantial funds to satisfy needs of the four agencies named under Sec. 401(c)(1).

A second option would be a direct appropriation of $32,607,260 in the fiscal year 1999 budget.

A third option would allow the government to satisfy its obligation to the State and its lessees without making use of direct appropriations. Seneca Resources pays the MMS on the order of $20 million a year in OCS royalties for production from some 18 leases.

Under this option, Congress would direct the MMS to grant Seneca Resources royalty relief until the government's obligation to the State of Louisiana and its lessees for drainage in the West Delta Field is fulfilled from the royalty withheld. From each dollar of royalty withheld, Seneca would pay forty-four (44) cents to the State of Louisiana and eleven point eighty-five (11.85) cents to the Energy Assets lessees.The benefits of this third option are that the impact on OCS revenue to the MMS would be kept to a minimum. Also, more of the interest generated by the Fund would be available to benefit the four agencies for whose benefit it was also established.

---

[3] The amount of compensation authorized is the amount determined by a Congressionally authorized third party fact finder, who set compensation at $18,115,147.16, plus interest. The Senate Appropriations Committee Report on the fiscal year 1991 Interior Appropriations bill specified an annual interest rate of 8 percent. Interest continues to accrue at $1,449,211.77 per year.

If none of the above options are fully suited in themselves, a final option is to have the payments to the State and Seneca Resources to come from a combination of the three. We believe that these options establish mechanisms that allow for a broad range of needs to be satisfied. I would leave it to the members of this panel to determine which option would best satisfy the parties involved. It should be noted that the State of Louisiana has indicated its support for each of these options.

Closing

In summary, we are pleased that last year Congress again recognized the need and established a fund from which to compensate the State and its lessees for drainage in the West Delta Field. Mr. Chairman, I thank you for the opportunity to testify on this matter and offer my services in working with you and your staff in crafting a payment option which will satisfy the needs of all the parties involved.

PREPARED STATEMENT OF DONALD MASON, PRESIDENT-ELECT, GROUND WATER PROTECTION COUNCIL

Mr. Chairman, thank you for the opportunity to testify today. My name is Donald Mason and I am President-Elect of the Groundwater Protection Council and Commissioner at the Ohio Public Utilities Commission. Previously, I held the position of Chief of the Ohio Department of Natural Resources Division of Oil and Gas. That agency is responsible for the environmental safeguards related to oil and gas exploration and production, solution mining and the re-injection of waste such as produced salt water into geologic formations deeper than the deepest underground source of drinking water. Such deep zone injections protect which assures the safety of our underground water supplies. My testimony today is submitted on behalf of the Ground Water Protection Council (GWPC).

The Ground Water Protection Council (GWPC) is responsible for the development and operation of the RBDMS system. The GWPC is made up of state oil and gas agencies as well as those that regulate ground water and other underground injection control programs. Through the GWPC, the states are all working together to protect ground water resources while reducing the cost of compliance to industry.

We would like to thank the Committee for the previous support of approximately $750,000 in the fiscal year 1998 budget. The funding has given the states the opportunity to develop additional software the enables state and local government to make decisions that result in the best possible balance of exploration and environmental considerations. We, in turn share that information with the industries we regulate, many of which are small businesses that would not otherwise have the ability to access such accurate information. We ask for continued support and assistance to state oil and gas agencies and the independent oil and gas industry with continued funding of the Risk Base Data Management Systems (RBDMS) last year and would urge the Committee to increase funding for RBDMS to $1.5 million for fiscal year 1999 so we can expand the system to every oil and gas producing state. The system is currently operational in Alaska, Montana, Nebraska, Mississippi, North Dakota, Ohio and we are installing it in Alabama and California. Additional funding would allow each remaining state to initiate the program as well. This amount would provide the smaller independent oil producers access to this environmental data management system. Smaller producers are often the most in need of such a system because high regulatory costs hit them the hardest. In addition to providing the system to smaller producers, additional funding will allow the GWPC to expand the system to include oil field surface facilities including tanks, pipelines, and storage units. Before I go into detail on the how RBDMS works, I want to make the point that states are dedicating their own resources to RBDMS. For example Ohio, is using almost $600,000 in state capital improvement and $400,000 of operations funding to implement RBDMS. I know all other states are planning on using state dollars as well as federal funds. But what the remaining states need is a relatively small amount of start-up assistance after which time they have shown they are willing to begin applying their own resources.

With past assistance from the U.S. Department of Energy, the GWPC assembled a project team with extensive knowledge and experience in state oil and gas agency environmental data management to develop RBDMS, the only comprehensive, fully relational, PC-based oil and gas regulatory data management system in the country. By allowing the oil and gas industry to participate in the next phase of development of the system, we will assure that it will be useful and effective for them. Additional funding at $1.5 million for fiscal year 1999 will be mutually beneficial to the private sector and the states by keeping environmental compliance costs down.

RBDMS is one of the best examples we have seen of how industry, working with government, can improve both industry production and environmental protection at the same time. Included with my testimony are endorsement letters of RBDMS as an alternative to costly command and control regulatory policies. It is supported by both the regulated community and the regulators themselves. Continuing to fund the states in this manner allows us to tailor our regulatory program needs to the industry which operate in our respective states as each state as there is not a good "one size fits all" national approach that would work as efficiently as a cooperative state effort.

In summary, the increased funding we are requesting will provide a means for the successful expansion of the Risk Based Data Management System and will provide the following benefits: (1) improve environmental protection, (2) less regulatory and compliance costs for producers, (3) better state enforcement of environmental regulations, and (4) continued oil production. The remainder of my testimony provides a more detailed explanation of how we have used prior funds and how we would use the requested increase. Due to its length, I will submit it for the written record. Thank you for the opportunity to appear before you today.

PREPARED STATEMENT OF GENERAL ELECTRIC POWER SYSTEMS

This testimony is submitted on behalf of General Electric Power Systems (GE) for consideration by the Committee in connection with its deliberations on the fiscal year 1999 budget requests of the U.S. Department of Energy. GE fully supports the Administration's request for $43 million through the Fossil Energy budget for the Advanced Turbine Systems (ATS) program in fiscal year 1999. DOE's request reflects the importance of the ATS program to the nation's energy security and environmental objectives. GE is extremely grateful for the continuing support of Congress in assuring that adequate resources are provided for the ATS program, and welcomes the opportunity to update the Committee on the status of the ATS program.

ATS PROGRAM STATUS

As the Committee is aware, the DOE Advanced Turbine Systems (ATS) program is a multi-phase, heavily cost-shared program initiated in 1992 to support the development of the next generation power system for utility and industrial applications using advanced gas turbines. In 1993, GE was one of three companies competitively selected to participate in the Conceptual Design and Product Development phase (Phase 2) of the utility portion of the ATS program, which is administered through DOE's Office of Fossil Energy. In August 1995, DOE selected GE as one of two companies to proceed to the Technology Readiness Testing and Pre-Commercial Demonstration phase (Phase 3) of the utility-scale ATS program.

In March 1997, DOE issued a Request for Proposals to the ATS contractors for a restructured program. Instead of the original demonstration phase (Phase 4) of the ATS program, which included the siting of the first commercial unit at a host site, the program would be restructured to extend the technology validation phase (Phase 3). The restructured program will feature full-speed no-load testing of the ATS, including design, procurement and installation of unique tooling and test instrumentation. Importantly, the restructured program is designed to achieve the ATS program's technical goals in the timeframe established by the ATS program plan.

GE responded to the Department of Energy with a proposal for a restructured ATS program in July 1997. Subsequently, GE submitted a final revised proposal to DOE in December 1997. Negotiations with the Department regarding the restructured ATS program concluded in late March with the execution of a cooperative agreement for the revised Phase 3 of the ATS program.

The new cooperative agreement reflects the continuing commitment of GE and DOE to the ATS program. The central goal of the ATS program—producing technology by 2000 that is ready for commercial application—is unchanged. Under the restructured ATS Phase 3, GE will manufacture and perform a full speed, no load test on a 60 Hertz machine by the end of 1999 at GE's Greenville, South Carolina facility. DOE cost sharing is critical to this aggressive schedule.

BENEFITS TO THE NATION OF THE ATS PROGRAM

Energy efficiency.—The goal of the ATS program is to achieve fuel-to-electricity efficiencies of 60 percent or greater, resulting in significant reductions in fuel consumption.

Lower electricity costs.—These fuel savings will, in turn, lower electricity costs, benefitting the competitiveness of U.S. industries in the world marketplace. The ATS program has had as its goal a 10 percent reduction in the cost of electricity produced relative to current (F-level) combined cycle power plants.

Emissions reductions.—Natural gas fired gas turbines produce no particulates, ash, heavy metals, toxins, or sulfur oxides. Additionally, the ATS will achieve a significant reduction in emissions of oxides of nitrogen, and will further reduce carbon monoxide and hydrocarbon emissions relative to the current fossil fueled power generation base. The high efficiency of gas turbine systems makes this power generation concept the most effective method of reducing carbon dioxide emissions from fossil fueled electricity generation.

Stimulating jobs retention and growth.—Tens of thousands of Americans already work to manufacture gas turbines and to provide key components. Manufacturing jobs in this industry already have been lost, and the remaining jobs are at risk because of uncertain U.S. market conditions and stiff international competition. U.S. jobs depend on continued U.S. global leadership in turbine technology, which the ATS program is designed to support.

THE TECHNICAL CHALLENGE

Through the ATS program, the Federal government has challenged industry to develop the technology that will enable gas turbines to achieve fuel to electricity efficiencies of 60 percent or more, a step increase from current levels, rather than merely inching beyond today's efficiency limit. The Federal/private ATS partnership is central to industry's ability to achieve the technology breakthroughs needed to meet this high efficiency level, and to achieve the other aggressive technical goals of the program.

Existing gas turbine technology has benefited from the knowledge gained from years of national investments in military aircraft engine technologies. Now, however, the need to meet high efficiency and low emissions requirements simultaneously for power generation systems in 2000 and beyond requires the development of a steam-cooled turbine generation system. The power generation industry is facing the challenge, for the first time, to develop a new technology specifically for power generation applications. Government is sharing in this challenge through the ATS program.

THE MARKET OPPORTUNITY

Industry and government working together can take on more risk, confront bigger technical challenges and speed the development and application of technologies which ultimately will gain market acceptance and provide potentially large energy, economic, environmental and strategic returns to the nation. The ATS program offers a prime example of how government technology leadership can bridge the gap between market opportunity and current market realities.

ATS technology ultimately will be supported in the marketplace, both domestically and internationally. But despite the important benefits of ATS technology, because of the continuing technical risks, today the market alone is not sufficient to bring this technology to the point of commercial acceptance. The likely users of this technology in the U.S., both utilities and independent power producers, are not in a position today to make multi-hundred million dollar investments in technologies and systems that are not yet proven by actual, full-scale operation.

Industry's R&D risk/reward window is often more focused on the short-term than government's, which can address broader, national priorities that may not yet be adequately valued in the marketplace. With the support of the ATS Program, U.S. manufacturers will be better able to compete in the projected international market in electricity generating systems—a marketplace in which foreign competitors frequently receive significant assistance from their governments. Successful completion of the ATS program will position U.S. technology for immediate introduction into global markets, and will enable U.S. technology to surpass leading foreign competitors, solidifying U.S. market share in the worldwide market. U.S. success in the export of power generation technologies translates directly into jobs in the United States.

The ATS program will assure that clean power technologies are available when required by the domestic market. The same key enabling technologies being developed through the ATS program are required for both international and domestic applications. Domestic market uncertainty resulting from electric industry restructuring makes potential investors in new technologies more risk averse, underscoring the need for government participation in the ATS program.

PROGRAM ACCOMPLISHMENTS

GE's work over the course of the last two years has focused on the technologies and components necessary for high temperature operation and steam cooling. Major program accomplishments include the following:

—Completion of full-scale, steam-cooled, first-stage nozzle cascade design validation testing at ATS turbine operating conditions. The first stage nozzle and buckets are the most critical high temperature component in the ATS.

—GE's design for the gas turbine combustion system permits its ATS to achieve high firing temperatures while minimizing production of oxides of nitrogen. Initial tests of the "H" series combustor design have been completed at the component level and in a full-scale combustion test stand that permits testing at full pressure and flow design conditions.

—GE has also worked with suppliers to develop "single crystal" casting technology to provide the high temperature strength required for these very large buckets and nozzles. While single crystal casting has been applied in the aircraft engine context, the size of the castings required for the ATS is unprecedented.

—Rig testing of the one-third scale H compressor has been completed, to validate the fundamental design approach of the compressor in heavy duty gas turbine operation.

—Elements of the steam cooling system have been tested extensively in component rigs and utility field test conditions. To resolve concerns about the effects of impurities in the steam on the operation of the cooling system, GE has designed a particulate filter which has been fully validated in testing at an operating combined cycle power plant.

—GE's activities have also addressed manufacturing technologies essential for the success of the ATS. For example, thermal barrier coatings (TBC) are ceramic coatings applied to parts in the path of the hot gas that flows through the ATS; effective TBC are critical to the steam cooling system. In addition to testing to validate the performance of the TBC in utility customers' current gas turbines under actual conditions, GE has also designed a robot to assure proper application of the coatings. In addition, GE has improved the forging process to allow for production of the largest gas turbine Inconel wheels ever made.

—GE has also developed testing processes which will permit product quality to be confirmed without necessitating destruction of expensive parts, including nondestructive inspection techniques for single-crystal airfoil production, and new analytical tools to model the startup and shutdown of the gas turbine component of a combined cycle unit in greater detail than ever before required.

It is anticipated that fiscal year 1999 funding will be used to continue testing of full scale components and sub-systems. The manufacturing capability for the first test engines will be completed, and full speed, no load testing of H series engines will begin.

CONCLUSION

Through R&D investments, the Federal government can assist industry in raising its sights and taking on high risk, high payoff opportunities that require challenging accepted technological limits. This has been, and will continue to be, the effect of DOE's ATS program. GE appreciates the Committee's strong support for the ATS program in the past, and urges the Committee to continue to provide the resources necessary to see this program through to completion in its restructured form.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

The National Association for State Community Services Programs (NASCSP) is pleased to offer testimony in support of continued funding for the Weatherization Assistance Program operated through the U.S. Department of Energy's Office of State and Community Programs (DOE). NASCSP is a membership organization representing state directors of the Weatherization Assistance Program and the Community Services Block Grant.

DOE's Weatherization Assistance Program is one of the largest energy conservation programs in the nation. Its purpose is to increase the energy efficiency of homes occupied by low-income persons, particularly the elderly, those with disabilities, and families with children, while ensuring their health and safety. The Weatherization Assistance Program operates in all fifty states and the District of Columbia. It serves between 60,000 and 70,000 households per year.

Last year, Washington state's Weatherization Assistance Program operated through the Department of Community, Trade and Economic Development provided energy conservation services to over 5,000 households. Forty percent of those served were households of elderly or disabled persons. The services were delivered by a network of 26 community based non-profit organizations and local governmental organizations. They used the Department of Energy's $2.3 million to help leverage over $7 million in non-federal resources. Washington's program applies up-to-date technology to determine the most cost effective measures to install in each home. This assures significant energy use reduction and cost savings for low-income residents. As an indirect benefit, the program created or sustained up to 700 jobs and infused an estimated $27 million into the state's local economies.

Oak Ridge National Laboratory recently published a report entitled State Level Evaluations of the Weatherization Program in 1990–1996: A Metaevaluation That Estimates National Savings. The findings revealed that the Weatherization Assistance Program has significantly improved its energy savings over the past seven years. In 1996, the Program showed savings of 33.5 percent of gas used for space heating up from 18.3 percent savings in 1989. The greater savings are based in large part on the introduction and use of more sophisticated diagnostic tools and audits. The report also concluded that the Weatherization Assistance Program possesses a favorable cost-benefit ratio of 2.40 to 1.0. Simply stated, the federal funds provided to support the Program have a 140 percent return on investment.

We believe the Weatherization Assistance Program has an even greater national impact and serves national interests by creating the technological and programmatic foundation for the individual state programs it funds. The Program's contribution in achieving national energy and social goals includes: Cleaner air through reduced CO_2 emissions—the program reduced CO_2 emissions by 63,215 metric tons in 1996 that would otherwise have been released into the air; reduced consumption of imported fuels by reducing residential consumption; reduced demand on other social programs like fuel assistance, housing and health care; and implementation of innovative energy conservation technologies and transfer of this technology into the private market. These are examples of how the Weatherization Assistance Program helps conserve energy and advances the national interest.

Since the 1990 reauthorization in the State Energy Efficiency Programs Improvement Act (Public Law 101–440), the rules promulgated by the Department of Energy insured greater flexibility in the program which has led to even greater energy efficiency and savings in the homes of low-income persons. Based on this reauthorization language, the program now includes cooling measures. The language also called for a review of the factors in the funding formula, leading to the development of an entirely new funding distribution method. The new formula addresses issues of equity that had long troubled members of Congress. With the new funding formula and the inclusion of cooling measures, this program is a national energy conservation program. The Weatherization Assistance Program can no longer be characterized as a cold climate state program, but must be recognized as a national effort that acknowledges energy as a commodity that every American household consumes.

The Weatherization Assistance Program, like all successful businesses, understands the need for constant change and self-improvement. When the 1989 evaluation noted that greater savings were achieved by the use of more sophisticated auditing techniques, states moved immediately to incorporate them. Other important advances include the increased use of blower-door directed air infiltration reduction, in-depth furnace efficiency analysis, duct system diagnostics, and air quality improvement measures. Trained professionals employed by local agencies use state of the art diagnostic equipment and techniques along with twenty years of practical experience to make homes more energy efficient, safer, and more affordable.

The Department of Energy supports state program efforts to ensure that the individuals involved in the implementation of the program at the local level have adequate training on the latest and best energy conservation practices. The states of New York and Vermont joined together to create the Building Performance Institute (BPI) to set competency standards and establish a training curriculum that can be transferred throughout the country. North Carolina also participates in the BPI. California, Virginia, and Nevada are considering joining. Illinois uses the state's community college and vocational education systems to offer ongoing standardized training. Indiana and Ohio have created their own training centers and Pennsylvania supports a training center at the Pennsylvania State University School of Technology. California sponsors the Stockton Training Center and West Virginia has recently opened a regional training center for furnace efficiency improvement. In Florida, the Solar Energy Center provides training on warm climate weatherization measures. Whichever option is selected for transferring technology and skills

improvement, the results are the same, i.e., trained competent people using the latest technologies to provide the most cost effective and energy efficient measures in low-income households.

The Department of Energy has invested significant amounts of money in energy conservation research through its laboratories. The Weatherization Assistance Program has been the testing ground and provided a fertile field for the deployment of their research. The Oak Ridge National Laboratory developed the National Energy Audit for use by local agencies in assessing cost effectiveness of service delivery. The National Renewable Energy Laboratory has recently completed an audit that can be used to conserve energy in mobile homes. The Oak Ridge Building Technology Center is testing the use of storm windows as replacement windows for use in warm climate states. The Florida Solar Energy Center and the state of Hawaii are working on the development of cost effective solar hot water heaters. The state Weatherization Assistance Programs throughout the country will be the front line in the deployment of these technologies and the citizens of their states will be the beneficiaries.

Equally important, these technologies are tested by the Weatherization Assistance Program and from there are adopted by private contractors and builders. The rigorous conservation standards of the Weatherization Assistance Program are not found in the building industry. In fact, the Program has introduced many new technologies and best practice protocols to this industry. Many of the subgrantees of the Weatherization Assistance Program are private contractors. The Program provides the perfect mechanism for transferring technology from the public to the private sector thus benefiting not only low-income households, but all households. This is one of the less discussed benefits of the Program, but an enormously important one nonetheless.

Testimony of the Weatherization Assistance Program's success in delivering professional, competent, and valued services to its customers is evidenced by the extensive use of the Program's state and local agencies by utility companies as the delivery system for many Demand Side Management Programs and local energy efficiency efforts. Some examples include:

—The Public Service Company of Colorado committed $2.6 million to the Colorado Weatherization Assistance Program for use in the 1997–1998 fiscal year.

—In Texas, four utility companies have elected to operate their Demand Side Management programs as an added service through the Texas Weatherization Assistance Program. Their contribution to the Texas Weatherization Program will soon exceed $5 million.

—In Maryland, five utility companies make an annual commitment of more than $2 million to supplement the Weatherization Assistance Program. These funds are used to expand both the service delivery options for each household and the number of households served.

—In Florida, a pilot project has been started with the Florida Power Corporation. The utility is providing $800,000 in rebates for energy saving weatherization activities.

In each of these states, and many others that receive utility funding for weatherization activities, the utility funds would not be available without the presence of the federal program. The Weatherization funding, appropriated by Congress and distributed to the states, serves as the foundation on which program core capacity is developed and bridges are built to leverage other resources. In 1997, the Weatherization Assistance Program leveraged $1.72 for every dollar invested by the federal government. More than 60,000 families received energy conservation services through the federal investment. More importantly, an additional 50,000+ families were served by the Program because of the states' ability to leverage resources—an ability that would not exist without Congressional support. Simply stated, the more funding made available to the states, the more families can be served by the states through a combination of federal and non-federal resources.

It is also important to note that many utilities are abandoning or severely reducing their Demand Side Management programs in an effort to maintain a competitive edge. There is a question as to how long the arrangements that states have with utility companies will continue. The electric and gas industries are in the midst of changes that will affect nearly every American business, institution and household. The changes that will occur as a result of restructuring will have a major impact on both the Weatherization Assistance Program and the households it serves. The funding now being generated will not be available within the next few years. It is more crucial than ever that the Program retains an economically viable presence and the core capacity of the program remains intact to guide the residential energy conservation efforts during the next decade.

The average household served by the Weatherization Assistance Program has an income of less than $8,000 per year. These families spend between 14 to 20 percent of their income to pay their energy bills while an average household spends only 3.5 percent of its income on home energy. A 15 percent reduction in energy costs through restructuring would only reduce these households' energy burden to 12.75 percent, still over 3 times the average. The problem facing these families must be addressed as both a "cost" and "consumption" energy issue. Utility restructuring will help control costs. The Weatherization Assistance Program serves the vital role of helping these families control their energy consumption and their burden on already limited resources.

To put national numbers in perspective, last year in West Virginia 70 percent of the households that were served had annual incomes of less than $10,000 and well over half of all households were occupied by persons who were elderly or disabled.

Utility restructuring may present significant future opportunities to help the Weatherization Assistance Program complete its mission of aiding families in need. These opportunities can only be maximized if there is an established network ready to take advantage of the new possibilities. The need for a commitment to energy efficiency is acknowledged by its inclusion in many of the deregulation proposals at the state and federal level. The continuation of the federally supported Weatherization Assistance Program will ensure that it remains as a catalyst for utility involvement and that low-income energy conservation activities remain strong.

The Department of Energy's Weatherization Assistance Program has always been the budgetary, as well as technological, foundation of the low-income energy conservation network. Congress has recognized the need for and the benefits provided by the Program and has continued to provide funding—although sparse in the past three years. The Weatherization Assistance Program is a proven federal, state, local and private partnership that leverages additional funds, develops and transfers technology, saves energy, creates jobs, puts dollars into local economies and helps a needy segment of our society. For these reasons, we urge you to support the Weatherization Assistance Program by approving the Administration's request for $154 million in fiscal year 1999.

PREPARED STATEMENT OF THE PETROLEUM TECHNOLOGY TRANSFER COUNCIL

The Petroleum Technology Transfer Council (PTTC) wants to express appreciation for this opportunity to submit testimony on behalf of the fiscal year 1999 appropriations for the U.S Department of Energy (DOE) Office of Fossil Energy. We strongly support DOE funding at the level requested in the Administration's budget.

PTTC is a national non-profit organization formed in 1994 by industry to accelerate the dissemination of exploration and production (E&P) technologies to companies that find and produce domestic oil and gas. Primary funding for PTTC comes from DOE's Office of Fossil Energy. Additional cost-share is provided by several state governments, universities, state geological surveys, and industry. Thus, PTTC is a prime example of how the federal government can work with industry and state governments in a successful partnership to enhance our national energy security.

We would like to make several key points in support of continuing DOE's oil and gas programs, especially those that are working to apply technologies that benefit the national interest.

The nation's small independent operating companies are increasingly using PTTC to gain access to DOE's research and development (R&D) programs. As independents continue to participate in PTTC's network of resource centers, workshops and Internet websites, they are able to make use of the information and technologies being made available from years of federally funded R&D efforts. As a result, DOE technologies are helping increase the recovery of U.S. oil and natural gas resources—and helping address the problem of 17,000 marginal wells being abandoned every year in this country.

With DOE's support, PTTC has created a multi-disciplinary network for transferring practical and cost-effective technological solutions to U.S. oil and gas producers. These companies use the technology in the field to improve production efficiency and help prevent the premature abandonment of the thousands of marginal wells in the 33 producing states. Also, because PTTC programs are led by independent producers, a two-way communication stream has been established on an ongoing basis between the producing industry and the R&D community.

To determine the industry's technology needs, PTTC conducted a series of problem identification workshops that covered nearly all of the nation's major reservoirs and geological plays. The results were complied in a 1996 report that presented a national perspective on the technical problems and needs of producers. The report,

Technology and Related Needs of U.S. Oil and Natural Gas Producers, offered an important tool to be used by America's research institutions and technology providers to target their R&D efforts to the specific needs of independents. PTTC is in the process of updating that report with a new survey of the highest-priority technology needs of independents. The results are expected to be released this fall, and again will be provided to DOE, the national laboratories, and other R&D groups.

Industry and Government Should Share in R&D Investments

During the last decade, major petroleum companies have been consolidating their operations in the U.S. and focusing increasingly on overseas opportunities. Many independent producers are struggling to survive in the new business environment. At the same time, industry investment in petroleum-related technology and R&D is being cut to the bone. Thus, DOE needs to continue to invest wisely in its R&D and technology transfer programs so that they are focused toward the industry's most important needs. This means identifying where advances in geosciences and petroleum engineering can achieve the greatest return in deferring premature well abandonments and maximizing incremental oil and natural gas production.

Public and private research projects continue to achieve advances in petroleum E&P technology that could yield significant national benefits in the form of increased domestic production, reduced oil imports, and increased public sector revenues. Technology advances resulting from ongoing R&D projects promise to amplify these potential benefits. Both industry and the public sector stand to gain from the development and application of advanced E&P technologies; thus both should share in the investments. Government also has an essential stewardship role—to ensure that America's domestic resources are produced efficiently and with respect for the environment. To achieve these goals, industry and government must work together.

Effective Technology Transfer Is Essential to Realize R&D Benefits

The full economic potential of new and existing technologies will not be achieved if producers are not aware of the technology, understand its economic potential, or feel comfortable with applying it. Nor will it be achieved if known resources are abandoned in the reservoir before the technology can be applied. Effective technology transfer is essential to achieve the full benefits of this potential and to sustain a viable domestic petroleum industry.

Investments in research and technology are worth little if the results are not aggressively transferred and applied to produce more oil and natural gas. Preliminary analyses indicate that some 80 percent of the potential benefits of improved technologies could be foregone without technology transfer. The government has already invested vast sums through the years in federally funded research at national laboratories, DOE laboratories, universities, and other R&D providers. To truly obtain value from this investment, it is critical to continue funding the technology transfer and related programs of DOE's Office of Fossil Energy.

PTTC performs various technology transfer functions (workshops, resource centers, Internet system, etc.) to inform producers of potential technologies to economically address their problems. Where solutions are not available, PTTC reports the technology gaps and their relative urgency to the R&D community to help guide and focus the direction and priorities of public and private research.

PTTC has helped DOE in targeting upstream R&D efforts on practical, short-term projects with immediate applications in the field. As a result, informing users of new and on-going research projects accelerates the public and private R&D process.

On a practical level, PTTC has sponsored many workshops for independents to transfer the results of DOE programs. One example is that PTTC conducted a series of traveling workshops for DOE to disseminate results of its Reservoir Class Demonstration Project, and additional workshops are expected.

Further, PTTC technology workshops serve as catalysts for bringing new partners into R&D consortia and other industry groups. An important benefit is that small independent operating companies (those without the staff or budget for R&D) have new access to cost-efficient technologies to maximize the recovery of oil and natural gas reserves.

Although PTTC is coordinated through the national organization, it is the local expertise and activities that are the heart of the technology transfer program. Each region tailors its activities to meet the particular needs of the independent producers in that region. A few years ago, DOE designed its outreach program based on the PTTC structure and the regional DOE-PTTC teams are working closely together to meet industry's technical needs.

PTTC is also supportive of the Advanced Computational Technology Initiative, the Natural Gas Supply Program, the Environmental Program, and all aspects of DOE's Technology Transfer Program.

Programs for U.S. Oil and Gas Production

In less than four years, PTTC has achieved its original goals—and gained the credibility within the upstream petroleum industry that is vital to success in increasing domestic energy supplies and preventing the premature abandoment of oil and natural gas wells. The main program areas include:

Technology workshops are held in various locales to provide real-world information and solutions to address specific exploration and production challenges. In fiscal year 1998, PTTC conducted nearly 60 technology workshops around the country, focusing on a variety of topics from 3-D seismic applications to produced water disposal. In fiscal year 1999, many more workshops are planned to focus producer's attention on available technologies and information that can help them resolve specific high-priority technological problems at current prices. The number of workshops is nearly double if one includes the functions that PTTC co-sponsors with other organizations such as the professional societies, Gas Research Institute, state and regional producers associations, etc.

Regional resource centers are successfully operating as hubs for the technology transfer activities in each region. They provide operators with access to technical and referral assistance, libraries, and computer workstations with software demonstrations and regional data covering project histories, field and reservoir data. Commercial vendors of technology, software, and other information have been enthusiastic about donating their products and services to the PTTC resource centers, and helping to train producers in state-of-the-art technologies to solve their most important technical problems.

Internet websites are part of the PTTC electronic network, allowing petroleum producers and other users to share information through 10 regional websites and a national website. It includes an up-to-date calendar of events, technical summaries and access to exploration and production data, software, and other information.

Other outreach efforts are conducted through a variety of regional technology events, exhibits at industry conferences, and user groups for oil and natural gas producers. PTTC also publishes technical reports, fact sheets, and other publications aimed toward industry. The national PTTC newsletter, PTTC Network News, is published quarterly and posted on the national website. Many regions publish their own newsletters that inform local producers about technology transfer activities and the results of DOE research programs.

Conclusion

Congress should continue to support an active DOE role in petroleum-related R&D and technology transfer. Oil and natural gas are strategically and economically critical to national energy security. The value of DOE programs in these areas extends far beyond geoscience and engineering research. Through technology transfer efforts, the results of federally-funded research will reach operators in the field, where it can be used to preserve and expand our national resource base. We encourage Congress to provide the funding that DOE has requested and to continue support for its vital oil and natural gas programs.

In particular, PTTC delivers demonstrable and measurable benefits to the producing industry and to the nation. The investment by DOE in technology transfer programs will be returned in multiples through incremental federal revenues from new projects and additional energy production that will be stimulated by effective technology transfer.

Thank you for this opportunity to testify, and please let me know if we can supply any additional information for the record.

PREPARED STATEMENT OF JOSEPH N. DARGUZAS, SARGENT & LUNDY

Mr. Chairman and Honorable Committee Members: Thank you very much for this opportunity to provide testimony concerning an extremely critical issue facing the United States and our energy independence. As a Registered Professional Engineer in many states and as a citizen of the United States, my professional opinion is that continued Federal and State cooperation in fossil energy development and demonstration projects is essential.

For the past several years, the U.S. Department of Energy has financially supported the majority of the bench scale and pilot plant work necessary for the development of a new Low Emission Boiler System (LEBS) that will significantly benefit our economy and our environment. The Illinois Office of Coal Development and Marketing has also provided support appropriate for the prior project development.

The technology is now at a state of development where the Prairie Energy Project team are ready to build a nominal 80 MW Proof-of-Concept Facility at Zeigler's Turris mine near Elkhart. Once this plant is in service and the technology demonstrated; no further Government grants will be required. However, because of economies of scale, to compete in our deregulated utility industry with larger generators; one final Federal and State grant will be required.

We are in support of maintaining the President's $15 million Budget line item for Advanced Pulverized Coal-Fired Power Plant development for fiscal year 1999. This is the same funding level as fiscal year 1998 and will allow the benefits of previous years' funding to be realized and the final Phase of the Low Emission Boiler System (LEBS) project work to be completed.

Our total project value will be approximately $127 million. State of Illinois cofunding is expected to be $25 million with the balance from private industry sources. Our company, Sargent & Lundy, has invested millions of dollars in research, development and demonstration programs. However, we cannot afford to continue without the backing of Federal government.

The Combustion 2000 LEBS project is also important to direct stakeholders from Illinois, Massachusetts, Pennsylvania, and Utah, and also to the future of U.S. industrial development through lower cost of electricity. Benefits are also being seen by our Industry Group from Ohio, Kentucky, Florida, Michigan, Indiana, Missouri, Iowa, New York, Minnesota, New Jersey, Arizona, Alabama, Tennessee, and Virginia. Of equal importance, the advanced, more efficient, low emission technologies being developed through this program will be ready for commercialization when tougher environmental regulations will be in place in the year 2000 and without continuing Government support.

Funding significantly lower than the above level will cause significant project delays that will result in this window of opportunity being lost to foreign competition. It would also leave U.S. companies at a disadvantage in competing in emerging foreign markets. In the end, the overall cost to the Government and the people of the United States will be greater.

Finally, please accept our sincere appreciation for the strong support you, the rest of the Committee, and the staff have provided to us in the past. We look forward to working closely with you all in the future.

PREPARED STATEMENT OF ROGER DUNCAN, DIRECTOR, PLANNING, ENVIRONMENTAL AND CONSERVATION SERVICES, CITY OF AUSTIN, TX; CHAIR, URBAN CONSORTIUM ENERGY TASK FORCE, PUBLIC TECHNOLOGY, INC.

This testimony is submitted for the information of the Subcommittee during the consideration of the fiscal year 1999 budget requests for the Department of Energy (DOE). The Urban Consortium Energy Task Force (UCETF) appreciates this opportunity to update the Subcommittee on the progress of the applied energy research and development activities being undertaken through the DOE's Municipal Energy Management Program (MEMP).

The UCETF is made up of local government energy policymakers and administrators from major urban areas around the United States. Currently, 23 jurisdictions are represented on the 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 Antonio, TX; San Diego, CA; San Francisco, CA; San Jose, CA; Seattle, WA; and Washington, D.C. The UCETF is a subgroup of the Urban Consortium, an organization of the nation's largest cities and counties joined together to identify, develop and deploy innovative approaches and technological solutions to urban issues. The Urban Consortium is a program of Public Technology, Inc. (PTI), which is the nonprofit technology organization of the National League of Cities, the National Association of Counties, and the International City/County Management Association.

The goal of the UCETF is to act as the premier technology research, development and deployment organization dealing directly with the energy problems and needs of local government. The UCETF meets this objective, in part, by managing an applied energy program that leverages federal, state and local funds for the conduct of energy research and technology transfer projects. In furtherance of its objective of serving as an urban energy laboratory, and with funding provided by the Department of Energy, Municipal Energy Management Program, the UCETF annually conducts a program of applied energy technology research and development, application and replication projects that address locally-defined energy needs. Projects are competitively selected for funding based on merit, and conducted by local government

staff, in furtherance of the UCETF mission to improve the energy management capabilities of local governments.

All programs must demonstrate strong partnerships, which in many cases include cost-sharing, from the private sector and other government agencies, in order to maximize the successful application of project results.

The UCETF also undertakes a variety of technology transfer and solution deployment activities designed to widely disseminate the knowledge gained through the performance of local government energy projects to jurisdictions throughout the United States.

THE UCETF RESPONDS TO LOCAL GOVERNMENT ENERGY NEEDS

Through its focus on annual work programs, the UCETF is in a position to respond to changing emphases and issues in the energy field. Local governments are in the forefront of the nation's response to interrelated energy supply, clean air and, increasingly, energy-related climate change issues. Larger urban governments in particular have found means to utilize energy policy and programs as a tool to help reduce the cost of government and stimulate the local economy, thereby producing more revenues that can be used to deliver priority services to local populations.

The ability of local governments to respond to new challenges and make prudent policy choices in the energy area for the benefit of local citizens is directly enhanced through the UCETF program. The program responds to needs identified by local governments for specific support in addressing and resolving local energy issues. DOE support has enabled the UCETF to competitively select and co-fund nearly 300 energy projects to address locally-defined energy priorities in jurisdictions all across the United States. UCETF projects have focused on energy efficiency (increasing the efficiency of energy use in local government buildings through new technologies, efficient lighting, improved HVAC systems and building controls; efficient building design; increasing residential energy efficiency, including "Green Builder" guidelines and home energy rating systems); energy supply (district heating and cooling; biomass district energy systems; fuel cell power; methane recovery from municipal landfills; application of renewable energy in local communities); reduction of transportation energy use (alternatives to conventional transportation fuels, including alcohol based fuels, electric vehicles and vehicles operating on compressed natural gas, light and heavy duty vehicle applications including fuel cells for urban buses, transportation demand reduction, telecommuting); and sustainability (emphasizing the linkage between energy, environmental and economic development objectives in local communities).

THE UCETF'S 1997–1998 APPLIED ENERGY PROGRAM

The 1997–1998 UCETF program is supporting projects focusing on energy as a tool for economic development; issues and opportunities for local governments in electric industry restructuring; and strategies for environmentally responsible local energy production and usage. Concurrently, the UCETF is working to share among local governments the knowledge and information necessary to assess the implication of changes in the electric utility industry for local governments; information on public charging of electric vehicles; and options for encouraging renewable energy in local communities. Specific energy technology development/application or technology transfer projects are underway in the following topical areas:

Energy and Economic Development.—Energy efficiency activities can contribute to creation of a sustainable urban environment. Urban governments also have important roles to play in bringing energy efficiency technologies and techniques into the marketplace. Urban areas are well positioned to serve as testbeds for such technologies, as part of an overall effort to increase energy efficiency. The UCETF continues to focus on projects that make the linkage between energy, environmental and economic concerns in local communities. Hennepin County, MN, is developing telecommunications and energy management design standards for urban redevelopment projects; Santa Barbara County, CA, is developing a system to track and measure economic savings attributable to energy efficient development targets attained through an incentive program with local developers; Philadelphia, PA, will produce model specifications for improvements in traffic signal hardware and operations in conjunction with the development of all-color LED signal displays, which reduce energy usage and maintenance, and provide enhanced lighting; and Seattle, WA, will cooperate with local developers in the effort to assure the use of sustainable development practices throughout the Northwest.

Municipal Governments and Utility Policy.—Again this year, significant attention in the 1997–1998 program is being devoted to issues involved in the introduction of increased competition in the electricity industry. This issue has the potential to

significantly influence—for better or for worse—all local governments. But because of the breadth and complexity of the issues involved, many local governments are ill-prepared to deal with the demands of the changing marketplace. Through research projects in jurisdictions around the nation, and technology transfer activities, the UCETF seeks to become a leading national resource for municipal governments on approaches to, and the implications for local governments of, coming changes in the structure of the electricity industry. The UCETF is conducting five projects focusing on local aspects of the restructuring issue. San Jose, CA, is conducing a project to determine how the city can align the interests of residents and businesses with opportunities to procure increased energy efficiency and renewable energy that may become available as the result of the restructuring of the California electricity marketplace; Kansas City, MO, is developing a metropolitan-area wide deregulation strategy, to identify means for the many local entities in the Kansas City metro area to maintain local flexibility, authority, and environmental quality in a restructured utility environment; Chicago, IL, is studying electric load aggregation, and will develop an energy supply strategy for five municipal entities in the wake of restructuring and legislative action in Illinois to introduce competition; Portland, OR, is developing a program for local government to serve as a mechanism to assure that the "benefits" of electricity restructuring are available to renters, small businesses and low income families within the community, through consumer education, bundling of energy efficiency and renewable energy program offers that may be available in the marketplace, and pilot programs; and Salt Lake City, UT, will address a key issue in restructuring from the local government perspective—potential loss of tax revenues—by identifying mechanisms for mitigating revenue impacts.

Energy Usage and Supply.—Local governments face continuing requirements to cut energy usage and costs, and opportunities to apply new technologies expressly suited to local climatic conditions and utilizing local energy resources. San Francisco, CA, is developing and will demonstrate a comprehensive energy efficiency program for office machines, including a guide to maximizing office machine energy efficiency in an institutional setting; Mayaguez, PR, is developing a program to utilize used cooking oil to generate electricity from fuel cells, and for the production of biodiesel; Yolo County, CA, will address methane enhancement for energy generation through accelerated landfill decomposition; and Albuquerque, NM, will evaluate the logistical, regulatory and economic feasibility of producing biogas (methane) from diverted organic municipal solid waste.

Technology Transfer.—The UCETF is conducting five projects specifically designed to document and transfer lessons learned through local government energy programs. Chittenden County, VT, is developing a tool kit for municipalities on biomass district energy opportunities; Anaheim, CA, is preparing an electric vehicle public charging tool kit also aimed at municipal governments, which will complement other DOE-funded activities to support "EV readiness" in cities around the nation; San Jose, CA, will utilize the unique expertise of city staff in developing a program to encourage the use of renewable energy within local governments; Philadelphia, PA, will analyze the issue of securitization of "stranded costs" resulting from electricity restructuring; and Barnstable County, MA, building on its expertise in assessing the implications of and preparing for electricity restructuring, will implement a community choice pilot project, documenting results for the benefit of local governments in other states where competition is being introduced.

In addition to these specific technology transfer projects, the UCETF program features peer to peer exchange and dialogue on a variety of issues, and is concentrating in particular on effectively documenting products available for transfer from prior year programs. Specific efforts are underway in several areas to conduct direct transfer activities to share widely the benefits of Federally-supported energy technology development and application programs. In addition to continuing to distribute the primer on electricity restructuring for local governments, entitled "Keeping the Lights On," and its companion document on power marketing, the UCETF has prepared a "workshop in a box" of information for local government on restructuring issues. The forthcoming publication of case studies of local government restructuring projects funded through the UCETF/MEMP program will also be designed to provide first hand experience in meeting the challenges of restructuring to other local governments around the country.

CONCLUSION

Local governments are a crucial component of the national effort to maintain the United States as the world's leader in developing, applying and exporting sustainable, environmentally benign and economically competitive energy technologies. The UCETF's activities through the DOE Municipal Energy Management program en-

hance the ability of local governments to identify, design and implement energy policies that support local economic objectives, including jobs growth and retention. The MEMP program offers the nation a proven successful method to identify ways that energy technologies can be applied to aid in addressing community issues; to share information among local governments; and to prepare local officials to respond to the energy and energy-related environmental issues in their own communities.

PREPARED STATEMENT OF DR. ROBERT H. TRENT, DIRECTOR OF THE SCHOOL OF MINERAL ENGINEERING, UNIVERSITY OF ALASKA, FAIRBANKS

I strongly encourage the Subcommittee to support the Department of Energy's fiscal year 1999 Natural Gas Research Budget Request of $5.3 million for Gas-To-Liquids. This appropriation is important for the continued development of novel gas-to-liquid (GTL) technologies which will enable the utilization of Alaska's vast natural gas reserves, one of America's largest reserves of hydrocarbon energy, second only to Alaska's Prudhoe Bay oil fields.

Experts estimate that the United States has substantial remote gas reserves (defined as natural gas which cannot be economically brought to market in a gas pipeline), including offshore reserves in deep waters in the Gulf of Mexico and along the Pacific coast, and most significantly, the vast recoverable reserves on the Alaskan North Slope. The technically recoverable natural gas resources in developed and known undeveloped oil fields on the North Slope total approximately 38 TCF (trillion cubic feet), and in a recent circular, the United States Geological Survey estimates that there is nearly double that amount of technically recoverable reserves in undiscovered fields.

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 needs by 2010. Already, in Alaska, 4 out of 11 (36 percent) of the 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, commercially available technologies are far too costly for reserve owners to bring most of Alaska's gas to market.

A promising technology solution is to convert 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, including the TAPS.

The University of Alaska, Fairbanks, School of Mineral Engineering, is proposing to work with the Department of Energy to conduct a comprehensive evaluation of various methods for transporting gas-to-liquid products, commonly called "white crude," through the existing TAPS. Utilizing the TAPS for GTL 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, gas-to-liquids conversion technology is dependent on developing a low-cost alternative to synthesis gas production, the first processing step, in which natural gas is converted to a mixture of hydrogen and carbon monoxide before being processed further to make liquids. Through a team led by Air Products and Chemicals, Inc. of Allentown, Pa., the Department of Energy's Natural Gas Research Program is sponsoring development of an important new synthesis gas technology—referred to as ITM Syngas. 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. The University of Alaska, Fairbanks, School of Mineral Engineering, is a participant in the ITM Syngas project team, along with ARCO, Argonne and Pacific Northwest National Laboratories, Ceramatec, Chevron, Eltron Research, McDermott International (formerly called the B&W Alliance Research Center, in Alliance, Ohio), the University of Pennsylvania and Penn State. The technology exists at the laboratory scale, and if successfully developed, could result in a major step change in the way alternative liquid fuels, chemicals, and even hydrogen are produced from natural gas. Although the significant progress of the research has nurtured considerable optimism for the technology, many technical hurdles remain. The ITM Syngas process will require substantial development and financial investment by both the private and public sectors before a commercial technology can be realized. In response to a competitive procurement completed in

1997, the Air Products-led project team has committed a 68 percent private-sector cost-share toward ITM Syngas development and has also agreed to full payback of the Federal funding contribution should the technology be successfully commercialized.

In addition to the direct energy benefits for Alaska and the nation, a major reduction in the cost of producing syngas via ITM Syngas technology will have a cross-cutting impact on the domestic economy; many U.S. industries depend upon syngas as a raw material in the manufacture of numerous commodity chemicals and consumer goods, such as clean-fuel additives, rubber, polyester textiles, urethane foam, plastics, paint, detergents, and fertilizers. Also, cheaper hydrogen made possible by ITM Syngas will 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.

Furthermore, the ITM 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 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 Natural Gas Research—Emerging Processing Technology Applications program. 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 technologies, such as the ITM Syngas technology supported by the DOE, will not only benefit the citizens of Alaska, but will also enhance the global competitiveness of our industries as we move forward into the 21st century.

PREPARED STATEMENT OF THE COUNCIL FOR CHEMICAL RESEARCH, INC.

Issue.—The mission of the U.S. Department of Energy's Office of Industrial Technologies (OIT) is to help U.S. industries realize substantial improvements in energy efficiency, waste reduction, and productivity. As a leading federal interface for the nation's major process industries (chemicals, aluminum/mining, forest products, steel, metal casting, glass, and agriculture), OIT funds high-risk, cost-shared, industry-driven cooperative R&D through the partnerships of the "Industries of the Future" (IOF) program. The leveraging of resources represented by this program is an important element to ensure the competitiveness of these industries in global markets.

Position.—The Council for Chemical Research believes that the full potential of the "Industries of the Future" program can be realized through appropriate funding levels and the strategic use of the capabilities and facilities of the nation's academic and industrial research infrastructure, and the DOE national laboratories. Specifically, CCR supports the Administration's fiscal year 1999 request of $166.6 million for DOE's Office of Industrial Technologies, an increase of $30.4 million (including $19 million for reducing greenhouse gases) over fiscal year 1998 and a reflection of the value of the "Industries of the Future" program.

Rationale.—Industry uses more than a third of the energy delivered in the U.S. and spends tens of billions of dollars annually for pollution abatement and control. Seven industries account for 82 percent of the energy used in manufacturing: pulp and paper; steel; aluminum; metal casting; chemicals; petroleum refining; and stone, clay and glass. These industries also account for more than 80 percent of the air emissions and 90 percent of the waste produced by U.S. manufacturing. The Office of Industrial Technologies focuses on developing innovative technologies to assist major industry sectors in becoming more resource efficient and, thereby, more productive and competitive, and less polluting.

The "Industries of the Future" framework that OIT has facilitated puts ownership for the future of U.S. industry where it belongsin the private sectorwhile providing leveraged resources for addressing industry's most critical, long-term technology needs. Technology roadmapping and implementation efforts provide opportunities for the highly skilled scientists and engineers residing in our nation's university- and industrial-based research and national laboratory facilities to lend their expertise to this process.

Long-term research to develop enabling technologies for the major process industries can create economic value and enhance the quality of life. Strategic use of col-

laborative research teams across industry, academe, and government laboratories can positively affect these industries and our Nation.

NATIONAL ENDOWMENT FOR THE ARTS/NATIONAL ENDOWMENT FOR THE HUMANITIES

PREPARED STATEMENT OF THE NATIONAL ASSEMBLY OF STATE ARTS AGENCIES

The National Assembly of State Arts Agencies (NASAA) is pleased to submit this testimony in support of funding at $136 million for the National Endowment for the Arts in fiscal year 1999, for the hearing record of the Senate Subcommittee on Interior Appropriations.

Appropriations Request

In support of a budget request of $136 million for the National Endowment for the Arts, NASAA and the member state arts agencies believe that a steady federal commitment is important, as a foundation for funding the arts, to enable communities to maintain their artistic resources.

NASAA advocates for federal arts funding, working in partnership with state, local and private funding sources, to: enable people in communities nationwide an equal opportunity to participate in the arts; increase the ability of all Americans, through the arts, to excel in education; contribute to a healthy economy; and support innovative projects with national significance to enlarge the federal role in supporting the arts.

A basic level of federal financial support is important to the work of states arts agencies to serve all Americans. When federal arts funding is cut, those reductions in dollars are sorely felt at the state and community levels.

Widening Public Access to the Arts

In 1998, state and federal funds totaling $348.7 million are available for distribution through state arts agency-funded projects. The state arts agencies are the mechanism for distributing federal arts funds equitably throughout the country. Where NEA dollars do not go directly to communities in states around the country, the federal funds going to state arts agencies do the job. Over 5,600 communities in every county, parish and U.S. congressional district receive state arts agency grants, using federal and state appropriations.

Public arts spending is especially important in rural areas, for example, which are often artistically underserved due to their geographic and economic isolation. To improve access to the arts in these areas, state arts agencies direct an aggregate of 30 percent of their awards and 12 percent of their funds to non-metropolitan grantees. Federal funds from the NEA to state arts agencies for grants to underserved areas are an important source of this support.

Utah.—The Utah Arts Council has created the Alternative Funding Resources Program to assist individual artists and small arts organizations which increasingly face the need to identify non-traditional sources of funding, especially in light of recent federal funding cuts. The Utah program lends assistance by providing information on granting opportunities, assisting in grant applications, and working with communities to create new opportunities for collaboration. The program, which is the only state-sponsored program of its kind in the country, represents the commitment of the Utah Arts Council to preserve the presence of the arts within the state.

State arts agencies use federal dollars to broaden access to state and federal funds by regranting public funds for the arts, often in partnership with local governments to decentralize grant dollars for distribution to smaller community organizations. Regranting invokes a multiplier effect in matching funds, which states have capitalized upon in recent years by nearly tripling their regranting dollars.

Presenting and touring grants are another way that state arts agencies expand the reach of both federal and state public arts dollars. State arts agencies use these grants to expand audiences and provide opportunities to experience a wider variety of art forms. But for public funding, these opportunities would not likely be available for Americans in communities across the country.

Arts in Education

All state arts agencies, with assistance from the NEA, support arts education programs. Artist residencies, curriculum development, teacher training are some of the ways state and regional arts agencies incorporate the arts into learning to make children better students.

The NEA's Arts in Education (AIE) grants support programs that make the arts basic to the education of students in pre-kindergarten through 12th grade. AIE

money to state arts agencies is regranted locally, encouraging both state legislative and local investment in arts education programming.

For years, parents, legislators, civic leaders, educators and business owners have been calling for change in our education system. Communities are demanding that their schools promote higher student achievement, reform the teaching process and improve the environment in which students are expected to learn.

The arts address all of these needs. Educational research shows that instruction in the arts improves student achievement. Arts programs improve students' communication skills, self-discipline, and self-concept. And arts in education produces the kind of resourceful and creative problem solvers that employers today prefer.

The Arts Build a Healthy Economy

Public spending on the arts is a good investment in the economic growth of every community in the country. Data gathered from economic impact studies conducted by city, county and state governments have repeatedly shown that the economic benefits of the arts exceed the investment of public support. The nonprofit arts industry alone generates $36.8 billion annually in economic activity, supports 1.3 million jobs, and returns $3.4 billion to the federal government in income taxes.

Cultural development is a vital part of urban revitalization and economic development strategies, attracting businesses and new residents and generating jobs. Cultural institutions enhance the market appeal of an area, encouraging corporate relocation.

The arts have been the anchor to restore declining downtown districts from Charleston, South Carolina, to Providence, Rhode Island, to Pittsburgh, Pennsylvania. In community after community are excellent examples of adaptive reuse of buildings. Old banks, post offices, train depots, churches, jails, city halls, schools, opera houses and movie theaters are arts centers, museums and theaters.

The arts also attract tourism dollars, America's third largest retail sales industry. Americans spent $987 million a day on travel and tourism in 1995, and that means more jobs and employment possibilities.

In fact, the nonprofit arts are a major factor in tourism and state arts agencies invest in a number of innovative approaches to tourism, from publishing cultural guides in Ohio and Arizona, to launching the First Night festival in Boston, Massachusetts, to show-casing local crafts at tourist information centers in North Carolina and South Carolina.

Washington.—With a grant from the National Endowment for the Arts, and in collaboration with the Washington State Department of Transportation, the Washington State Arts Commission has produced a tour guide and cassette tape documenting both the visible (geology, architecture and geography) and invisible landscapes (music, songs and stories) for those traveling through central Washington on a designated State Heritage Corridor. The 38-page booklet, with the history of the land, the geologic forces that shaped it and the people who have lived there, and the cassette connect the places along this route with their stories and songs. The taped documentation has gathered songs from places that range from churches to a tire shop, as well as stories, poems and sermons told by local residents and artists.

California.—The California Arts Council, a trio of local arts agencies, three convention and visitor bureaus, Hyatt Hotels and the California Division of Tourism have formed a coalition to market San Diego, Los Angeles and San Francisco through promotion of their arts and culture. With $150,000 in seed money from the National Endowment for the Arts, the partners have committed to matching this grant with $450,000, which will be used to develop brochures and other materials outlining different itineraries which highlight cultural attractions, as well as shops and restaurants in each city.

The California Cultural Tourism Coalition has published a guide to its first 13 cultural heritage itineraries, each suggesting 4–15 day trips in California's three urban cultural centers. As part of a national marketing effort, an insert summarizing the project and itineraries was included in the March issue of Travel and Leisure magazine, mailed to 200,000 American Express cardholders and distributed to the travel trade. Aside from publishing the guide, the coalition has also created a Web site, CalforniasEdge, which includes the itineraries, a list of resources and background on the project.

The Federal Partnership

State arts agencies depend on the NEA as a full partner in projects to promote the arts around the country. The reductions in appropriations to the NEA have a negative impact on the federal-state partnership in funding the arts in all areas. The result of the deep cuts already made in the NEA's budget is a loss in the

public's access to cultural resources in classrooms and communities across the country.

By combining our arts dollars—federal, state, and local—with other funding partners, we are able to increase the impact of the available arts money to reach more people and benefit many more lives. Arts endowment funding is an essential part of the work of state arts agencies so they can fund the arts in diverse ways that strengthen our arts organizations and extend the reach of all forms of artistic discipline and expressions.

With the kind of modest increase in federal appropriations proposed by NASAA, the states, and indeed all arts organizations, can expand on those possibilities and bring to all Americans full opportunities to experience the arts.

PREPARED STATEMENT OF EDWARD H. ABLE, JR., PRESIDENT AND C.E.O., AMERICAN ASSOCIATION OF MUSEUMS

"A museum can be a place to gather and debate community problems and community-based solutions. It can educate citizens in the community's needs. It can train leaders. It can break down isolation, recreate feelings of obligation toward one another, reinvigorate civic commitment. In short, it can do the kinds of things neighborhoods did before the suburbs fragmented them, the League of Women Voters did before its potential recruits became lawyers and CPA's, and the heads of locally owned businesses did before the out-of-town corporations bought them." Journal Star, Peoria, IL (Editorial, December 9, 1996)

My name is Edward H. Able, Jr. I am President and C.E.O. of the American Association of Museums (AAM), the national museum organization that has served America's museums and their staffs since 1906.

For over 30 years, the Federal cultural agencies have provided invaluable financial assistance to museums of every kind as they make public service a focal point of their missions. I urge you to continue this effort by funding the National Endowment for the Humanities (NEH) and the National Endowment for the Arts (NEA) at the modest levels requested in the President's budget for fiscal year 1999. In addition, I encourage you to fund the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) at $40 million for fiscal year 1999. To illustrate how these agencies are helping museums fulfill their missions, I will focus on two major themes: education and cultural tourism. I could easily testify for an equal amount of time on other themes. Also, as my time is very limited, I will simply mention the critical support the NEH and NEA provide museums, but I will focus on the importance to museums of OMS General Operating Support (GOS) grants.

The last two decades have transformed museums. They have become what a recent three-page article in USA Today's weekend magazine describes as "The New Public Square." Museums are and will continue to be places for scholarly research, lifelong learning, and quiet contemplation of beauty, our cultural heritage, and civilizations past and present with their primary focus on their educational missions. No doubt because museums put tremendous resources into ensuring that what they do and how they do it is intellectually understandable and enjoyable to the broadest public, the New York Times recently reported that "[w]hile dance companies, orchestras, serious theater groups and other "high arts"—with the possible exception of opera—struggle to retain their audiences, American museums are setting one new attendance record after another."

The lead editorial from the Peoria Journal Star quoted above is an apt description of museums as community institutions at their best. What inspired the editor was experiencing this "new public square" during a visit to The Public Museum of Grand Rapids, Michigan—a museum that enjoys 470,000 visits annually in a city with a population of 189,000.

Museums, more than ever, are being asked to be many things to many people. They greet this call with enthusiasm and a strong sense of responsibility engendered by their public trust missions. However, this places tremendous demands on museums' infrastructure. The main reason for establishing the OMS—"to ease the financial burden borne by museums as a result by their increasing use by the public" (Public Law 94–462, Title II, Museum Services Act)—has never been more true than today. OMS General Operating Support (GOS) grants are more important than ever.

According to a recent AAM survey, 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. Only 8 percent believe that the museum

community has adequate resources to cope with the critical issues in the near future—especially funding issues.

GOS grants are structured efficiently to stretch limited funds as far as possible. For example, GOS grants span two years, can be no more than 15 percent of a museum's budget, are capped at $112,500, and must be matched. GOS grants are in high demand; in the 1997–98 grant round only 202 out of 1,061 applications received awards. Due to this high demand and the agency's limited funding, the OMS instituted a new measure that prohibits successful applicants who have received consecutive grants from applying the following year (i.e., a museum that receives a grant for 1996–97 and 1998–99, cannot reapply until 2001). OMS's budget was significantly cut in 1995, which has resulted in a cumulative loss to the field of $20 million or 245 grants over three years, while the demand in terms of museum applicants has not fallen off despite a rigorous application process.

For fiscal year 1998, the OMS was funded at $23.28 million. By contrast, the Office of Library Services within the IMLS received $146.3 million—a $10.3 million increase above fiscal year 1997. General operating support funds for museums, though fundamental, are very difficult to obtain from foundations or corporations, which generally prefer to fund higher profile programs.

GOS grants, especially critical to small and medium-sized museums, help a broad spectrum of institutions serve their communities in numerous ways. For example, The Silver City Museum in Silver City, New Mexico, a repository of local history for the southwestern part of New Mexico, is primarily using its current General Operating Support grant to make its photograph collection more accessible to the public. The Museum has a collection of 11,000 historical photographs, which are in great demand, but are very difficult to access. The images get used by a large variety of people ranging from students to genealogists to authors to scholars. With the GOS funds, the Museum has been able to catalog the photographs, and is in the beginning stages of digitizing the entire collection. When this process is complete at the end of the summer, the entire collection will be available to the public from a computer at the local history research library. It is the largest collection, and also most requested, but without digitization it's hardest to get access to—it currently requires an individual appointment with the curator.

Another example, The Sheldon Museum and Cultural Center in Haines, Alaska, a history and ethnographic museum focusing on Tlingit Indian Culture, has used GOS funds over the last decade in various ways to help bring it from a "mom and pop" museum to a professional AAM-accredited institution. The museum's director told us that OMS GOS grants have been the museum's "life's blood" and are the most valuable type of funding because they allow the flexibility to accomplish a wide array of necessary tasks. The museum's most recent GOS grant allowed it to contract with professional curator to computerize its collections data and bring the collections cataloging and archives up to date—a task too overwhelming for its full-time three-person staff. The funds also brought a conservator up from a museum in Juneau to work for a week to provide a healthy start for the museum's program of transcribing oral history preserving it for many generations to come. Similarly, the Crested Butte Mountain Heritage Museum in Crested Butte, Colorado, received a Conservation Assessment Program grant. It is a small institution in transition from "home-grown to professional," and the CAP grant helped it figure out its most pressing needs, and what the responsibilities of a curator will be once he or she is hired. Small institutions such as the Mountain Heritage Museum do not have the personnel or time to investigate private grant opportunities for such a specialized project. The availability of federal funds, even in such small amounts—their grant was only $6,000—makes a huge difference to small, rural institutions.

Education.—In 1992, AAM issued a landmark policy report, entitled Excellence and Equity: Education and the Public Dimension of Museums, reaffirming museums' place in the education enterprise.

To explain the role museums now have in education, I can do no better than 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 the family, workplace, and community. Museums have the capacity to contribute to formal and informal learning at every stage of life, from the 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."

Museums are actively engaging students of all ages in educational experiences that transcend the stereotypical after-school program or a one-time field trip. For The Museum of Art at Washington State University in Pullman, Washington, which serves the citizens of that state and beyond, as well as the residents of the surrounding rural area, GOS grants have enabled the museum to afford better exhibits,

improve exhibit presentation, offer more open hours to the public, and promote the use of museum exhibitions in local schools. In addition, GOS grants have funded free art workshops for schoolchildren, who are given the opportunity to visit the museum and work with a professional artist. Unfortunately, if this museum is successful in the next grant round (1999/2000), it will be precluded from reapplying until 2002.

Museums have developed extensive curricula working closely with schools, for use in the classroom and on-line. For example, at the Children's Museum of Oak Ridge, Tennessee, GOS funds support the museum's art educator, who brings art programs and projects into schools, working with teachers and providing them with the tools to continue art education in the classroom. GOS support enabled The Children's Museum of Portsmouth, New Hampshire to hire a full time education director. With this new staffperson, the museum for the first time had the resources to reach out and establish several off site museum-quality exhibits for schools with Head Start programs and at-risk youth in addition to developing hands-on arts and science educational programming for area schools. Another example is The Health Adventure, Asheville, North Carolina, which uses GOS funds to help it reach 95,000 children each year. According to the museum's director, without the funding, approximately 12,000 children from disadvantaged, low income, rural Appalachian areas could not attend important health education programs at little or no cost, and teaching props, materials, and supplies would be limited; it would not be able to keep quality, degreed educators; and/or maintain transportation for outreach programs to the far reaching, low-income counties of western North Carolina.

Unless a museum is strong, it cannot fulfill its potential in education. OMS-GOS grants allow museums to realize their potential. They have supported numerous museums with education programs, helping to reach millions of children, adults, and families.

One point I want to make clear about these examples: Museum education programs and regular school instruction are not fungible commodities. They are synergistic. Museum educators need and want to work with teachers in the schools.

Cultural tourism.—Tourism is a $473 billion industry in this country, and museums and other cultural organizations are primary contributors to its robust success. According to the Travel Industry Association's Travel Industry Fast Facts 1998: "Cultural and Historic Tourism is one of the more popular sectors of the travel industry. A recent TIA survey found that 53.6 million adults said that they visited a museum or historical site in the past year * * *. Cultural and historic travelers spend more, stay in hotels more often, visit more destinations and are twice as likely to travel for entertainment purposes than other travelers." Museums are becoming increasingly sophisticated in their ability to collect hard data and assess the economic impact of cultural tourism on their communities. For example, the 1996, three-month Cézanne exhibition at the Philadelphia Museum of Art injected an estimated $86.5 million into the Philadelphia's economy; the 1997, two-month Faberge in America exhibition at the Cleveland Museum of Art had an economic impact of nearly $11 million in the eight-county regional area; and while all the details are not yet in, the Picasso exhibition at the Woodruff Arts Center, which includes the High Museum of Art, in Atlanta, Georgia, is expected to have an economic impact of at least $30 million.

AAM recognized the impact in cultural tourism and took a leadership role in establishing a working partnership among a number of national cultural, preservation, and heritage organizations. AAM last year conducted a series of regional cultural tourism leadership forums intended to initiate local, state, regional, and national strategies to promote cultural tourism. These forums enabled the leadership of America's cultural community to participate in a dialogue and planning process with state tourism directors, convention and visitors bureau officials, tour operators and destination management organizations. I have here the report, Partners in Tourism: Culture and Commerce, based on the findings of the forums, that I would like to submit for the record. It details the issues that surfaced at the forums, highlights some of the action steps to which individual states committed, and lays out the challenges for the future. We continue to receive reports about numerous public/private partnerships the forums and the report have spurred.

OMS, NEH, and NEA provided the seed money for the national organization of these forums and provided invaluable input in their planning. They also helped disseminate this report to state and regional arts and humanities groups; state and regional museum associations; major heritage and culturally specific organizations; local arts agencies; state tourism directors; convention and visitors bureaus; and, key travel industry contacts.

This is an example of the national leadership the cultural agencies provide in response to the developments in the field, making them a critical partner in attracting

and coordinating with state, local, and especially private funders to sustain and enhance our nation's cultural life.

GOS funds also play a role in cultural tourism. The director of the Western Carolina University, Mountain Heritage Center in Cullowhee, North Carolina, the major museum west of Asheville, which portrays Southern Appalachian history, culture, and natural history, tells us that GOS funds are critical to the region's cultural development. He stressed that OMS funding is especially crucial for museums located in rural areas, which attract a very large number of visitors through cultural tourism.

In closing, the OMS is of enormous support to the museum field beyond providing GOS grants. OMS provides much needed funding for conservation, professional development, and also funds a critical program to improve individual museums' standards and performance—the Museum Assessment Program, which is produced by AAM. This year, the agency's National Leadership Grants will inaugurate an invaluable opportunity for museums to develop, demonstrate, and disseminate information about model programs of museum cooperation with libraries focusing on community service, technology, or education. And OMS will explore more deeply the issue of community by holding a forum, "Museums in the Community," this spring that will include hands-on training sessions for working with community groups and access to successful community-based models.

Finally, I again respectfully ask that you recommend funding for the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) $40 million and recommend funding for the National Endowment for the Humanities (NEH) and the National Endowment for the Arts (NEA) at the modest levels requested in the President's budget.

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

Page

Able, Edward H., Jr., president and CEO, American Association of Museums, prepared statement 586
Allen, W. Ron, tribal chairman and executive director, Jamestown S'Klallam Tribe, prepared statement 502
Altmeyer, Thomas H., Sr., vice president, government affairs, National Mining Association, prepared statement 557
American Indian Higher Education Consortium, prepared statement 540
Armstrong, Hon. Bennie J., tribal chairman, Suquamish Tribe, prepared statement 506

Babbitt, Bruce, Secretary of the Interior, Office of the Secretary, Department of the Interior 39
Prepared statement 48
Barnett, Jack A., executive director, Colorado River Basin Salinity Control Forum, prepared statement 463
Beard, Daniel P., senior vice president, National Audubon Society, prepared statement 445
Beck, James A., president, Seneca Resources Corp., prepared statement 567
Bennett, Hon. Robert F., U.S. Senator from Utah 35, 44
Questions submitted by 209
Boxer, Hon. Barbara, U.S. Senator from California, prepared statement 2
Questions submitted by 198
Bumpers, Hon. Dale, U.S. Senator from Arkansas 25
Burns, Hon. Conrad, U.S. Senator from Montana:
Prepared statement 315
Questions submitted by 167, 278, 305
Business Council for Sustainable Energy, prepared statement 560
Byrd, Hon. Robert C., U.S. Senator from West Virginia 41, 340
Questions submitted by 185, 423

Cagey, Henry, chairman, Lummi Nation, prepared statement 514
Callahan, Kateri, executive director, Electric Transportation Coalition, prepared statement 564
Campbell, Hon. Ben Nighthorse, U.S. Senator from Colorado 43, 312
Questions submitted by 226
Capoeman-Baller, Pearl, president, Quinault Indian Nation, prepared statement 525
Chicks, Robert, chairman, Stockbridge-Munsee Community Band of Mohican Indians, prepared statement 543
Cochran, Hon. Thad, U.S. Senator from Mississippi 24
Questions submitted by 278, 299, 402
Council for Chemical Research, Inc., prepared statement 583
Craig, Hon. Larry, U.S. Senator from Idaho, questions submitted by... 179, 312, 404

Darguzas, Joseph N., Sargent & Lundy, prepared statement 578
Davis, Julia A., chair, Northwest Portland Area Indian Health Board, prepared statement 491
Dean, Henry, chairman, Interstate Council on Water, prepared statement 489
Dombeck, Mike, Chief, Forest Service, Department of Agriculture 309
Prepared statement 335
Domenici, Hon. Pete V., U.S. Senator from New Mexico, questions submitted by 169, 299

Page

Dorgan, Hon Byron, U.S. Senator from North Dakota, questions submitted by 204, 306, 438
Duncan, Jennifer, Evaluator, General Accounting Office 231
Duncan, Roger, director, Planning, Environmental and Conservation Services, city of Austin, TX; chair, Urban Consortium Energy Task Force, Public Technology, Inc., prepared statement 579

Enewetak/Ujelang Local Government Council, prepared statement 486

Ferris, William R., Chairman, National Endowment for the Humanities 27
Prepared statement 29

General Electric Power Systems, prepared statement 571
George, Merv, Jr., chairman, Hoopa Valley Tribe of California, prepared statement 496
Gorton, Hon. Slade, U.S. Senator from Washington 1, 39, 231, 309
Prepared statement 233
Gover, Kevin, Assistant Secretary for Indian Affairs, Bureau of Indian Affairs, Department of the Interior 231
Biographical sketch 257
Prepared statement 250
Gregg, Hon. Judd, U.S. Senator from New Hampshire 35
Guenthardt, Robert, chairman, Little River Band of Ottawa Indians of Michigan, prepared statement 527

Havatone, Earl, chairman, Hualapai Tribe of Arizona, prepared statement 552
Hoopa Valley Tribe, prepared statement 499
Hooper, Helen, director of public policy, Land Trust Alliance, letter from 484

Inouye, Hon. Daniel K., U.S. Senator from Hawaii, questions submitted by 193

Jamestown S'Klallam Tribe, prepared statement 499
Janger, Stephen A., president, Close Up Foundation, prepared statement 465
Jones, Gerald J., tribal chairman, Port Gamble S'Klallam Tribe, prepared statement 529
Judd, Joe, commissioner, Kane County, UT, prepared statement 461

Lewis, Dr. Robert, Deputy Chief, Research, and Development, Department of Agriculture 309
Lower Elwha Klallam Tribe, prepared statement 495
Lummi Indian Nation, prepared statement 499
Lyons, James R., Under Secretary, Natural Resources and Environment, Forest Service, Department of Agriculture 309
Prepared statement 329

Mallory, Kenny, chairman, Winnebago Tribe of Nebraska, prepared statement 547
Manuel, Hilda, Deputy Commissioner for Indian Affairs, Bureau of Indian Affairs, Department of the Interior 231
Biographical sketch 257
Marques, Jose, executive director, Children's Forest Association, prepared statement 486
Mason, Donald, president-elect, Ground Water Protection Council, prepared statement 570
McArthur, Eugene "Bugger," tribal chairman, White Earth Band of Chippewa Indians, prepared statement 531
McConnell, Joseph F., president, Fort Belknap Community Council, prepared statement 553
Mejia, Margie, chairperson, Lytton Rancheria/Lytton Band of Pomo Indians of California, prepared statement 545
Mille Lacs Band of Ojibwe Indians, prepared statement 499
Miller, Tom, administrator, Hannahville Indian Community Tribal School, prepared statement 533
Morris, Joann Sebastian, Director, Office of Indian Education, Bureau of Indian Affairs, Department of the Interior 231
Biographical sketch 258

Naiberk, Sue, Assistant Director, Energy, Resources, and Science Issues, General Accounting Office 231

Page

National Assembly of State Arts Agencies, prepared statement 584
National Association for State Community Services Programs, prepared statement 573
National Indian Child Welfare Association, prepared statement 492
Novack, Yvonne, NIEA president, National Indian Education Association, prepared statement 534

O'Leary-Higgins, Hon. Kathryn, Acting Chairman; Deputy Secretary, U.S. Department of Labor, National Endowment for the Arts 1
Biographical sketch 13
Prepared statement 10
Old Bear, David, Sr., tribal council chairman, Sac and Fox Tribe of the Mississippi in Iowa, prepared statement 528

Pandolfi, Francis, Special Assistant to the Chief, Department of Agriculture ... 309
Parker, Margaret A., president, Meigs County Historical Society, prepared statement 468
Penney, Samuel N., chairman, Nez Perce Tribal Executive Committee, prepared statement 537
Petroleum Technology Transfer Council, prepared statement 576
Phillips, Randle, Budget Coordinator, Department of Agriculture 309

Quinault Indian Nation, prepared statement 499

Rainwater, Stephanie, president, Ketchikan Indian Corp., prepared statement 518
Reid, Hon. Harry, U.S. Senator from Nevada, questions submitted by 439
Rezendes, Victor S., Director, Energy, Resources, and Science Issues, General Accounting Office 231
Prepared statement 236
Runnels, Bruce, chief conservation officer, The Nature Conservancy, prepared statement 455

Sac and Fox Nation, prepared statement 499
Shanklin-Peterson, Scott, Senior Deputy Chairman, National Endowment for the Arts 1
Biographical sketch 19
Prepared statement 16
Stevens, Hon. Ted., U.S. Senator from Alaska 231
Questions submitted by 167
Sublette, Kerry L., Sarkeys professor of environmental engineering, University of Tulsa; Director, Integrated Public/Private Energy and Environmental Consortium [IPEC], prepared statement 563

Thomas, Edward K., president, Central Council of Tlingit and Haida Indian Tribes of Alaska, prepared statement 522
Tice, R. Dean, executive director, National Recreation and Park Association, prepared statement 443
Trent, Dr. Robert H., director, School of Mineral Engineering, University of Alaska, Fairbanks, prepared statement 582

Werner, Gary, chair, Partnership for the National Trails System, prepared statement 449
Whitener, Dave W., chairman, Squaxin Island Tribe, prepared statement 510
World Wildlife Fund, prepared statement 458
Wright, Mervin, Jr., chairman, Pyramid Lake Paiute Tribe, prepared statement 554
Wynne, Bruce, chairman, Spokane Tribe of Indians, prepared statement 550

Zimmerman, Gerald R., executive director, Colorado River Board of California, prepared statement 461
Zunigha, Curtis, chief, Tribal Council, Delaware Tribe of Indians, prepared statement 520

SUBJECT INDEX

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

Accountable decisionmaking 361
Additional committee questions 373
Allocation criteria 358, 359
Backlogged maintenance 352
Bipartisan solutions 314
Bridge safety 326
Budget request 309
Chief's reviews 365
Communications plan 310
Conservation philosophy 371
Control board 362
Coopers & Lybrand report 364
County commissioners 367
Course to the future 325
Custodial forest management 329
Dutch John transfer, town of 356
Decisionmaking 363
Financial:
    Friction 366
    Management 349
Forest Service:
    Appreciation for personnel 355
    Staff 340
Forestry research related issues 344
Former Chief's quote 372
Four corners development proposal 353
Franklin County Lake 311, 346
GAO accountability report 310
Hardwoods technology center 341
Hot shots 347
ICBEMP:
    Apprehension of 367
    Congressional directive 368
    Environmental impact statement for 368
    Private property impact of 369
    Public participation in 369
    Reaction to 368
Idaho Department of Environmental Quality 348
Interior Columbia basin ecosystem management project 366
Land:
    Acquisition 351, 360
    Exchange 352
Litigation and multiple use 354
Long-term roads policy 360
Management:
    Action taken 334
    Business 333, 362
    Problems 313
Mississippi forestry research 343, 345

Page

National:
Forest Foundation 358
Forest System management 324
Recreation strategy 325
Natural resources agenda 324
New England forest recreation use 358
Olympics 2002 355
Overhead costs 364, 366
Personnel:
Flexibility 362
Reductions 366
Plum Creek land exchange 370
Pulling punches 363
Red Butte Dam 356
Regional budget declines 348
Research:
New Mexico 352
West Virginia forestry 342
Riparian proximity grazing 353
Roads:
Heavy-use 329
Decommissioning 327
Maintenance and reconstruction backlog 327, 350
Moratorium 310, 326, 327, 349
Impact on timber 355
Recreation use 326
Routt National Forest windstorm 312
Seneca Rocks Visitors Center 341
Sustainable forestry principles 325
Taos drainage problem 352
Thompson Creek mine 371
White Mountain National Forest 357
Working together 373
West, frustrations in the 346

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Additional committee questions 278
Education 258, 259, 267
And unemployment 268
Instructional programs 265
Federal:
Funding for Indian programs 270
Indian policy 270
Funding for Indian programs 273
Indian:
Affairs leadership 269
Country, unemployment in 258
Gaming 272
Needs based analysis 267
Private sector business on Indian reservations 274
Profits from business ventures 273
School facilities 262, 265
TPA task force distribution 260, 275
Tribal:
Community colleges and vocational schools 268
Priority allocations 266
System 262
Tribes:
In Alaska 261
With small populations 264
Water rights negotiations 266

Page

OFFICE OF THE SECRETARY

Additional committee questions 79
Budget request 39
Columbia basin ecosystem management plan 55
Completing the necessary review 59
Concessions reform 64
Corridor H 56
ESA and money for private landowners 62
Federal highway system funds 67
Fee demonstration project 54
Financing mechanism 70
Grand Staircase Escalante National Monument 44
Haskell versus SIPI 71
Indian:
    Colleges 71
    School repair 69
Mescalero Elementary School 73
Natchez Trace Parkway 66
Presidio 55
    Buildings status 61
Reductions in heritage efforts 60
Reinventorying of lands for wilderness 44
Role of State historic preservation officer 57
San Raphael Swell Heritage Area 44
Sand Creek Massacre Site 60
Southwest Fisheries Technology Center 74
State historic preservation office 58
Surplus BLM land 77
Tribally controlled colleges 71
Vanishing treasures initiative 76
Virgin River 62
Yazoo complex NWR 65

NATIONAL ENDOWMENT FOR THE ARTS

Amount of grants 22
ArtsREACH initiative 8, 14, 20, 25
B–2 bomber grant proposal 9
Budget:
    Administrative 9
    Increase, proposed use of requested 8
    Request 1
Education:
    Arts 16
    Importance of arts 8
Hearings, House appropriations 24
Multistate grants 15
National Council on the Arts 19
NEA presence in North Dakota 4
New council members 3
Office of Enterprise Development 23
Priorities, fiscal year 1999 funding 22
State:
    Arts agencies 22
    Fifteen percent cap for 20
Underserved States 21

NATIONAL ENDOWMENT FOR THE HUMANITIES

Funding of Regional Humanities Centers 36
Geographical distribution of grants 37
Public/private partnerships 33
Relationship with State humanities councils 36
Summer seminars and institutes 34

Page

GENERAL ACCOUNTING OFFICE

Additional committee questions 277
Impediments to getting information 241

○