

**DEPARTMENT OF THE INTERIOR AND RE-  
LATED AGENCIES APPROPRIATIONS FOR  
FISCAL YEAR 2005**

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**THURSDAY, MARCH 25, 2004**

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

The subcommittee met at 10:16 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.  
Present: Senators Burns, Stevens, Bennett, and Dorgan.

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. GALE A. NORTON, SECRETARY**

**ACCOMPANIED BY:**

**LYNN SCARLETT, ASSISTANT SECRETARY, POLICY, MANAGEMENT,  
AND BUDGET**

**JOHN TREZISE, DIRECTOR, OFFICE OF BUDGET**

**OPENING STATEMENT OF SENATOR CONRAD BURNS**

Senator BURNS. We're going to call this hearing to order, thank you very much, Madam Secretary, for allowing us to maneuver a little bit this morning. We did have a lot of things going on, and it was my fault, because both committee hearings that I'm involved in this morning have quite a lot of gravity to them. I appreciate your flexibility to come down and start 45 minutes late, we will try to get done the important work that you do and the important work that I think we do.

I also appreciate you coming by earlier this week. We had a good discussion on a number of topics, of which I think we are moving to some fruition and we will probably cover a little more of that today, but nonetheless, thank you for coming.

The Department of the Interior budget totals \$11 billion this year, \$10 billion of which is under this subcommittee's jurisdiction. This amounts to a 3.4 percent increase if we take out the emergency funds provided in fiscal year 2004 for wildland fire.

In the context of the broader budget situation and our emphasis on defense and homeland security, that's pretty good. I think it's a sign that the President and the director of OMB have confidence in what you're doing over at the Department of the Interior, and I also want to congratulate you on a lot of things that you've done down there.

But as we get into the details, it's obvious that we're going to have some issues in your budget as we go forward, and I'm sure they can be worked out. As has become the custom in recent years, every specific project or priority identified by Congress in fiscal year 2004 has been stripped from the budget, generally without any apparent consideration of its worthiness of those priorities. You've used those reductions to finance a number of increases in your own priorities, such as various programs that make up the "Cooperative Conservation" Initiative. While many of these programs have long been supported by this committee, we're going to have to look carefully at the trade-offs inherent in these proposed increases.

There are also a handful of big ticket items in your budget proposal that we'll want to talk about. You're proposing a \$53 million increase, or 28 percent for the abandoned mine reclamation in conjunction with the administration's proposal for SMCRA reauthorization. As I'm sure you're aware there are several different reauthorization proposals that have been introduced in Congress, and I think it's anybody's guess on the outcome of the legislative process and how that will impact the 2005 appropriation.

You've also asked for an additional \$161 million for activities related to Indian trust reform. Let me first say that your dedication to addressing this problem has been outstanding and it cannot be denied. There is plenty for people to quibble about in the terms of the specifics of trust reform, but nobody can rightly deny that you have dedicated an immense amount of time and effort to the problem and that you have advanced the ball significantly down the field.

That said, we still need to talk a great deal about the next set of investments that you're asking us to make in what sometimes appears to be a fiscal black hole. Sometimes we throw good money after bad.

Your budget also includes an additional \$58 million for the wildland fireaccount, including increases of \$29 million for fire suppression and \$25 million for hazardous fuels reduction. I don't have to tell you that these costs of wildland fire have been eating our lunch, just absolutely tearing our head off the past few years. Consistently high levels of fire borrowing has been disruptive to a number of programs, and have led directly to the cutting or cancellation of projects funded by this committee. We hope to avoid that this year, but as you know, sometimes those kinds of activities are unavoidable.

I'm hopeful that between the additional funds included in your request and the firefighting reserve fund I worked to include in the Senate budget resolution, we can avoid disruptive borrowing this year. But over the long term the solution lies with better management of our forests, and in actively working to restrain firefighting costs. I look forward to hearing your progress on those fronts.

Finally, I want to express my appreciation for one particular item in the budget request. For the first time during your tenure, the administration is not proposing a large decrease in PILT, payment in lieu of taxes. Counties that have large amounts of public lands rely on those funds in their budgets. While I certainly like to see a larger increase than the one you've proposed, this budget

is a significant improvement over the previous ones. In that regard, I give you great credit and we appreciate that very much.

#### PREPARED STATEMENT

Since we've got a busy committee schedule this morning, I'll simply stop here and say that this is a work in progress, as you well know and I'm sure that we can find common ground and fund the agency as it should be.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR CONRAD BURNS

Welcome Madam Secretary. It's good to see you here again.

I appreciated your taking the time to come by my office earlier this week. We had a good discussion about a number of topics, many of which I'm guessing we'll cover again this morning. But obviously there's a lot more to cover. When it comes to your department, there is never an absence of things to talk about.

The fiscal year 2005 budget request for the Department of the Interior totals about \$11 billion—\$10 billion of which is under this subcommittee's jurisdiction. This amounts to about a 3.4 percent increase if we take out the emergency funds provided in fiscal year 2004 for wildland fire.

In the context of the broader budget situation and our emphasis on defense and homeland security, that's pretty good. I think it's a sign that the President and the Director of OMB have confidence in what you're doing over there.

But as we get into the details, it's obvious we're going to have some issues with your budget as we go forward. As has become the custom in recent years, every specific project or priority identified by Congress in fiscal year 2004 has been stripped from the budget—generally without any apparent consideration of the worthiness of those priorities.

You've used those reductions to finance a number of increases for your own priorities, such as the various programs that make up the "Cooperative Conservation" initiative. While many of these programs have long been supported by this Committee, we're going to have to look carefully at the tradeoffs inherent in these proposed increases.

There are also a handful of big ticket items in your budget proposal that we'll want to talk about. You're proposing a \$53 million increase, or 28 percent, for Abandoned Mine Reclamation in conjunction with the Administration's proposal for SMCRA [SMACK-rah] reauthorization. As I'm sure you're aware there are several different reauthorization proposals that have been introduced in Congress, and I think it's anybody's guess how the outcome of the legislative process will impact the fiscal year 2005 appropriation.

You've also asked for an additional \$161 million for activities related to Indian trust reform. Let me first say that I think your dedication to addressing this problem is admirable, and cannot be denied. There is plenty for people to quibble about in terms of the specifics of trust reform, but nobody can rightly deny that you have dedicated an immense amount of time and effort to the problem, and that you have advanced the ball significantly since you arrived. That said, we'll need to talk a great deal about the next set of investments you're asking us to make in what sometimes appears to be a fiscal black hole.

Your budget also includes an additional \$58 million for the wildland fire account, including increases of \$29 million for fire suppression and \$25 million for hazardous fuels reduction. I don't have to tell you that the costs of wildland fire have been eating our lunch for the past several years. Consistently high levels of fire borrowing have been disruptive to a number of programs, and have led directly to the cutting or cancellation of projects funded by this Committee.

I'm hopeful that between the additional funds included in your request and the firefighting reserve fund I worked to include in the Senate budget resolution, we can avoid disruptive borrowing this year. But over the long term the solution lies in the better management of our forests, and in actively working to restrain firefighting costs. I look forward to hearing of your progress on those fronts.

Finally, I want to express my appreciation for one particular item in the budget request. For the first time during your tenure the Administration is not proposing a large decrease in the PILT program. While I'd certainly like to see a larger increase than the one you've proposed, this budget is a significant improvement over previous ones in that regard. I give credit where credit is due.

Since we have a busy committee schedule this morning, I'll stop here and simply say that I look forward to working with you as the process goes forward—which hopefully it will.

Senator BURNS. I welcome my good friend from across the little Missouri River in North Dakota, Byron Dorgan.

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Senator Burns, thank you very much. Madam Secretary, thank you for being with us this morning. This is a fairly sizable Department and budget request with a lot of very important functions, and I will want to visit with the Secretary about a range of things, some of which she will anticipate before she came here, the United Tribes Technical College, tribal college funding, and a series of issues dealing with the Bureau of Indian Affairs and Indian health issues and so on.

As I indicated, this is a very large appropriation for an agency that has an impact on much of this country in many significant ways and I'm very pleased the Secretary is with us today. Senator Burns, you mentioned the payment in lieu of taxes. Let me add a comment about that. That is a very, very important piece of work that we do and we have chronically underfunded that over many, many years. The Federal Government really does have a responsibility to make up for those revenues that had been previously paid in taxes to support schools and children and local government functions, and we have not done nearly enough, and so we'll visit about that this morning as well.

Senator BURNS. Thank you, Senator Dorgan. Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you very much, Mr. Chairman, and Secretary Norton, welcome. I must join with my colleagues in saying thank you for recognizing reality on PILT. Previous budgets have always low-balled it, knowing that the Congress would bring it to where it needed to be and then we'd get beaten up for being the spendthrifts, and we're glad to have you join us now in spending the PILT levels that make more sense.

I notice your chart here about the national parks system. I'll be happy to talk to you about that. I remember our colleague, Malcolm Wallop, with whom I served on the Energy and Natural Resources Committee, who always voted against adding any acreage at all to the national parks system, and I'd say why, don't you like national parks? He said, I love national parks, but what we have been doing for decades is adding to the national parks system while not adding to the budget, and I'm not going to vote for an additional acre of national park until we get the budget where it ought to be. And I'll be happy to visit with you about that during the question period.

I've raised in previous times and will again in the question period the question of how much of the budget of various agencies goes for litigation. I've talked to our people in Utah about that and I'll be glad to pursue that with you, and then Alan Greenspan's warning to us on the Joint Economic Committee about the coming crisis, indeed, it's not coming, it's here, in natural gas and our inability to produce as much natural gas as we need to. It is the fuel

of choice because it's cleaner, easier to transport, et cetera, than anything else, so everybody wants to build a natural gas fired—electricity plant, and then they wonder why the price keeps going up when they will not allow us to exploit the natural gas that we have on our public lands.

So those are the areas that I will be talking to you about. Welcome and thank you for your service. This is not a fun Department always. This is not an easy situation ever, and your willingness to take on this assignment and serve as diligently as you have is something that does not get commented upon and appreciated as often as it should. So welcome to the committee and thank you for your willingness to carry on in this assignment.

Senator BURNS. Thank you, Senator Bennett. The chairman of the full committee, Senator Stevens, have you a statement?

#### OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, Mr. Chairman. I have just a few comments about Alaska. I do at the time, appropriate time, have a couple of amendments that I'd like—a couple of questions that I'd like to ask. If it does not become my turn before that time, I'll submit it for the record.

Senator BURNS. Thank you. Madam Secretary, welcome this morning and we look forward to your statement.

#### SUMMARY STATEMENT OF HON. GALE A. NORTON

Secretary NORTON. Good morning, Mr. Chairman, members of the committee. I'm happy to be here today to present our fiscal year 2005 budget proposal. Interior manages one out of every five acres of America's lands, lands where people work, play, enjoy nature's beauty, and sustain this nation's cultural and historical legacies.

Our mission is challenging because the world around us is so complex. Expectations evolve, new technologies emerge, and our mission encompasses so much. We seek to leave a legacy of healthy lands and waters, thriving communities, and dynamic economies. That legacy depends on how well we work together across landscapes and across communities.

As the chairman has noted, our overall budget request is approximately \$11 billion in 2005. This is an increase of \$250 million. That includes the capability to help us achieve our vision of healthy lands, thriving communities, and dynamic economies by accelerating the clean-up of abandoned mine lands, advancing trust reform, expanding opportunities for cooperative conservation, and mitigating water problems in the West.

#### NATIONAL PARKS

In each of these endeavors, we are harnessing the collective creativity of our employees and our partners. Let me begin by discussing the national parks. Our parks harness these energies by employing about 118,000 volunteers who contribute over \$4.5 million of work annually. The parks provide a very positive visitor experience. Visitor satisfaction with our parks was surveyed at 96 percent last year.

An environmental advocacy group recently released *Endangered Rangers*, a study of the severe staffing shortages crippling America's national parks. The portrayal of what this report calls a human resources backlog is perplexing, given both recent and long-term funding commitments in support of our national parks and the funding support that has come from this committee.

The Park Service budget for park operations is at an all-time high and we are proposing a further increase of \$80 million in 2005. The group's report says that funding for parks has declined by 20 percent since 1980. The chart that is behind me shows the reality. Park operations funding in nominal dollars has increased by 3½ times since 1980. That's far ahead of the overall Federal budget growth or Interior's appropriation. The red line on the chart is the overall Park Service budget increases, where the other two lines are Interior and overall Federal spending.

To put this number in context, in inflation-adjusted dollars, the Park Service increase has been 121 percent. The discretionary spending for the Department of the Interior has increased by 12 percent in inflation adjusted dollars.

The President and Congress have demonstrated a strong commitment to the parks. Although visitors are satisfied, we recognize the need to continue to improve park management to ensure that dollars are spent effectively and efficiently. I am working with Fran Mainella to review how we manage our parks to ensure that priorities are set and goals are achieved.

#### PARK MAINTENANCE BACKLOG

The President pledged to address the park maintenance backlog. Our 2005 budget provides tools to improve accountability and a total of \$1.1 billion in support of the President's commitment to address the deferred maintenance backlog. That budget includes \$725 million for park facility maintenance and construction, which is a \$25 million increase over 2004. Also, within the highway bill, there is a proposal for \$310 million for park roads.

We have already undertaken 1,300 projects to ensure safe trails, sturdy roofs, and smooth roads for our parks. We have also implemented management reforms to ensure that these funds are spent wisely and that the maintenance backlog will not recur. For the first time in its history, the National Park Service will have by the end of this fiscal year a complete facility condition index, thus allowing a systematic approach to facility repair and maintenance.

Our budget also includes a \$10 million increase in the National Park Service's historic preservation account for the First Lady's Preserve America Initiative, a multi-agency effort to promote the protection and contemporary use of historic sites through heritage tourism.

#### ABANDONED MINE LANDS

Another challenge that is addressed in our 2005 budget is abandoned mine land reclamation. The problems caused by abandoned mines have long presented challenges to communities in which they are located. Since the Surface Mining Act was established in 1977, our program has reclaimed over 225,000 acres of damaged and dangerous lands. But despite all the work done over the past

two decades, more than 3½ million Americans still live less than 1 mile from dangerous, abandoned coal mines.

I've traveled to see these sites in several States, and it's easy to see why they are so dangerous. There are steep cliffs, there are ponds with submerged dangers in them. Since 1999, about 100 people have died in incidents related to abandoned mines.

Over the past 25 years, the allocation formula under the act has resulted in shifting funds away from high priority sites. Most abandoned mine lands now go to States based on current coal production, yet there's no relationship between the current production and the magnitude of the abandoned mine land problem in each State. Today only about 52 cents of every dollar that we give out in abandoned mine land funding goes to the high priority sites.

Because of this problem, we estimate that it would take 60 years to reclaim dangerous abandoned mine sites in Pennsylvania and 50 years in West Virginia. Our budget addresses this dangerous problem by directing abandoned mine land funding to where the danger is the greatest. The reauthorization proposal would change the funding structure and it would allow States like Pennsylvania and West Virginia to eliminate significant health and safety problems within 25 years.

Our proposal will remove 142,000 people from risk annually, an increase of 67 percent over the current program. To support this proposal, we are requesting \$244 million for the abandoned mine land program. This is the largest amount ever requested since States established their programs almost 20 years ago. By acting now to refocus the program, and by directing funding to the highest priority sites, the abandoned mine land reforms will save \$3 billion over the life of the program.

#### INDIAN TRUST

Let me now move on to Indian trust. This is another of our long-standing challenges. We very much appreciate the funding support that we have received from this subcommittee over the years in order to tackle this challenge.

#### INTERNET SHUTDOWN

Before I go into our trust reform priorities, I'd like to report on the court-ordered shutdown of Interior's Internet access. Interior has invested tremendous effort and resources over the past 2 years to dramatically improve the functioning and security of our computer systems. Despite these efforts and tangible improvements, on March 15, the U.S. District Court for the District of Columbia in *Cobell v. Norton* issued a preliminary injunction that ordered a shutdown of most of Interior's information technology systems from access to the Internet. This ruling crippled our ability to carry out a host of statutory mandates and to provide services on which the public depends.

It forced most of the Department's computers to be disconnected from the Internet, including external e-mail. It shut down our web sites. Our work force is spread across thousands of locations. The Internet allows us to handle information that we need to fulfill our responsibilities to manage these diverse areas. The court's ruling

affected Indian schools, wildlife refuges, financial accounting, and distribution of oil and gas royalty payments.

Fortunately, late yesterday the Court of Appeals put this ruling on hold temporarily and will soon consider a longer-term and more extensive appellate review. So as of today, most of our system will be back up and running, but we still have for the Bureau of Indian Affairs, the Office of Special Trustee, and the Solicitor's Office a disconnection that has been in effect for over 2 years now. They have had no Internet access since December 2001. This is also on appeal.

#### INDIAN TRUST MANAGEMENT

Now I'd like to focus on our unprecedented efforts to address trust management. We have a chart that shows our increased funding for trust management. In 2003, the Department began reorganizing trust functions in the Bureau of Indian Affairs and the Office of Special Trustee. The new organization resulted from a detailed analysis and a year-long consultation process with tribal leaders. Our reorganization reflects a synthesis of the views we heard during that consultation process.

The reorganization will help us meet our fiduciary trust responsibilities and provide better customer service for our beneficiaries. Yet one of the greatest challenges in managing these trusts remains, the fractionation of individual Indian interests in land that the Federal Government holds in trust.

As you can see from this chart, with each successive generation, individual interests in the land have become further and further divided among heirs, each of whom holds a smaller and smaller interest in the land. For example, if a couple in 1887 owned an undivided interest in 40 acres and that couple has four heirs, as you see on the chart, and each of them has four of their own heirs, by the time we reach the fifth generation, each heir owns less than half a percent of the original 40 acres. Without corrective action, millions of acres of land will be owned in such small ownership interests that no individual owner derives any meaningful value from that ownership.

Our 2005 budget supports our trust reorganization needs. It also funds a major expansion in our efforts to reduce the fractionation of Indian trust lands. To support these trust reform efforts, the 2005 budget includes a \$53 million increase to reduce the fractionation of Indian lands. Another \$7 million increase will sustain and expand work begun in prior years to reform, re-engineer, and reorganize trust duties so the Department can better fulfill its fiduciary responsibilities. This work will not be easy. We will continue to work with this committee to find constructive solutions for land fractionation, probate, and related issues.

#### WILDLAND FIRE

We are also continuing to work with Congress on the problem of catastrophic fires. Our Nation's communities must not continue to experience the unnatural catastrophic fires that have devastated homes and habitats in recent years. We must restore forest and rangeland health.

On December 3 of last year, President Bush signed the bipartisan Healthy Forests Restoration Act. That legislation will help us reduce threats from destructive wildfires, enable us to restore forest and rangeland health, and encourage public participation in selecting and implementing projects to reduce unnaturally high levels of brush build-up and overly dense tree stands.

Our budget provides a \$25 million increase to conduct fuels reduction projects and monitor the results. In total, our budget includes over \$300 million to advance the goals of the new legislation. This investment, together with that of the Forest Service, will provide a total of \$760 million to meet the goals of the Healthy Forest Restoration Act. Our new stewardship contracting authority will help us to partner with small businesses, non-profits, and local communities to restore healthy forests and reduce catastrophic fires.

#### COOPERATIVE CONSERVATION

Our overall cooperative conservation budget of \$507 million includes many different grant programs, many of which are very familiar to this committee. All of these are based on cooperation with States, tribes, local governments, and the private sector. Through a variety of conservation partnerships, Interior's land managers are joining with citizen stewards to remove invasive species, reduce stream bank erosion, and enhance habitat for threatened and endangered species.

For example, our 2005 budget proposal of \$58 million for invasive species will enable us to partner with other agencies, States, tribes, and communities to combat the brown tree snake, salt cedar, and many other invasive species through research, prevention, control, and rapid response methods. In the Klamath River basin, the Department is seeking a long-term resolution to conflicts over water and land management. Our 2005 budget includes \$67 million for this effort, an \$18 million increase. By improving the health of the Klamath River basin ecosystem, we will benefit farmers, tribes, and wildlife.

Through our cooperative conservation challenge cost share program, we funded 256 projects with more than 700 partners in 40 States and Puerto Rico. We achieved an almost two to one matching of non-Federal to Federal funds, with a non-Federal portion of \$23 million complementing the \$13 million Federal share.

Another example of cooperative conservation is the 11-State High Plains region, which includes agencies, communities, and citizens partnering together from North and South Dakota down to Texas. Our budget includes a \$5 million increase for the High Plains partnership that will help leverage funding by partners for conservation efforts over the next 10 years on 2 million acres.

Central to all of our resource protection and resource management activities is an emphasis on results. Monitoring helps us assess those results. Are we achieving healthy lands? How effective are our management practices? Our budget includes increased funding for our monitoring efforts.

## MANAGEMENT EXCELLENCE

Across all of these proposals is the need for excellent management, and we have taken a number of steps to improve our management to make sure that we are operating more efficiently, including improvements to our information technology system purchasing and state-of-the-art e-government initiatives, and a clean audit opinion for the Department and improved financial management.

## PREPARED STATEMENT

Our 2005 budget supports our journey toward management excellence. Above all, it is a budget focused on partnerships and results. We look forward to working with Congress, the States, and all Americans to achieve these goals. Thank you.

[The statement follows:]

## PREPARED STATEMENT OF HON. GALE A. NORTON

Good morning. I am pleased to be here today before the Subcommittee on Interior and Related Agencies to discuss the fiscal year 2005 budget for the Department of the Interior. I appreciate the opportunity to highlight our priorities and key goals.

The Department of the Interior's mission is complex and multi-faceted. We provide recreation opportunities. We provide access to resources. We protect some of the Nation's most significant cultural, historic, and natural places. We serve communities through science, wildland firefighting, and law enforcement. We fulfill trust and other responsibilities to American Indians, Alaska natives, and the nation's affiliated island communities.

Interior's mission is also challenging. It is challenging because the world around is increasingly complex as expectations evolve, new technologies emerge, and our responsibilities to the American people increase.

Above all, our mission is inspiring. We have close connections to America's lands and people, whether American Indians and naturalists, hikers and hunters, ranchers and recreation enthusiasts, or environmentalists and entrepreneurs. Our responsibilities touch the lives of individuals across the Nation. How well we fulfill our mission influences:

- Whether farmers will have water and people can turn on the tap;
- Whether our children will enjoy America's grand vistas, places, and history;
- Whether we can hike, bird watch, canoe, or hunt and fish; and
- Whether we can warm our homes and fuel our transportation systems.

By fulfilling Interior's mission, we can leave a legacy of healthy lands and waters, thriving communities, and dynamic economies. That legacy depends on our ability to work together across landscapes and with communities. It depends on the efforts of our 70,000 employees, 200,000 volunteers and thousands of partners.

## BUDGET OVERVIEW

Our 2005 budget request for current appropriations is \$11.0 billion. The Department anticipates collection of \$10.1 billion in receipts in 2005, equivalent to 92 percent of our current appropriations request.

The 2005 request includes \$10.0 billion for programs funded in the Interior and Related Agencies Appropriations Act, an increase of \$228.4 million or 2.3 percent over the 2004 enacted level.

Interior's 2005 budget request provides the single clearest statement of how we plan to work toward our goals in the upcoming year. Our budget fulfills the President's commitments to fully fund the Land and Water Conservation Fund; address the backlog of park repair and maintenance needs; fix Bureau of Indian Affairs schools; and re-establish healthy forests and rangelands.

Our 2005 budget also advances other key goals. It accelerates the cleanup of abandoned coal mine lands; expands opportunities for cooperative conservation; advances trust reform; seeks to mitigate water problems throughout the West through Water 2025; and supports the goals of the National Energy Plan.

## ADDRESSING LONG-STANDING CHALLENGES

*Park Operations.*—The National Park Conservation Association recently released *Endangered Rangers, A Study of the Severe Staffing Shortages Crippling America's National Parks*. The Study recognizes recent progress made in reducing the deferred maintenance backlog, but alleges a critical shortage of staff in America's national parks. This portrayal of what the study refers to as a "human resources backlog" is perplexing, given both recent and long-term funding commitments in support of our national parks, and the funding support of this Committee.

In the near term, the Park Service's operating account will grow by nearly 20 percent in actual dollars and by 13 percent in constant dollars from 2001–2005. The 2005 President's budget proposes to increase operational spending by \$79.8 million, including \$22.0 million in specific park base increases.

Our review of the operating level of the National Park Service indicates that the system currently has more funds per full-time employee, per acre, and per visitor than at any time in its history. In addition, the Park Service has better tools for decision-making, including our state-of-the-art facility management system.

The Association's Study reports that funding for parks has declined by 20 percent since 1980. Based on our records, funding for operation of the National Park System and the U.S. Park Police has increased by 121 percent in constant dollars, or \$473 million, since 1980. To put this number in context, the discretionary spending for the Department of the Interior in total has increased by 12 percent in constant dollars, or \$506 million during this same time period.

*Park Maintenance Backlog.*—President Bush pledged to improve the condition of National Park Service facilities and resources and committed \$4.9 billion over 5 years for park facility maintenance and construction. The 2005 budget continues to fulfill the President's pledge, investing \$1.1 billion for maintenance, rehabilitation, and road repair. The National Park Service's budget includes \$724.7 million for park facility maintenance and construction, a \$25.0 million increase over 2004. An additional \$310.0 million for park roads is included in the Administration's legislative proposal to reauthorize the Highway Bill.

In addition to providing additional resources for park stewardship, the 2005 request continues to provide critical tools to improve accountability. Utilizing data from annual condition assessments, which have been completed for almost all of its regular assets, the Park Service has developed an estimated facility condition index, an industry standard for quantifying the condition of facilities. This baseline provides a launching point for monitoring and addressing the maintenance backlog. In 2005, \$8.2 million of a \$13.2 million increase in the repair and rehabilitation budget targets improving the condition of priority buildings to good condition. By focusing on one asset category, the Park Service will be able to monitor improvements to the facility condition index and evaluate the performance and efficacy of maintenance programs. The Park Service is committed to bringing all assets up to acceptable condition on average with funds provided through 2009.

*Abandoned Mine Lands.*—Since enactment of the Surface Mining Control and Reclamation Act in 1977, the Department has partnered with States, Tribes, local governments, and others to reclaim over 225,000 acres of damaged and dangerous lands. Despite these accomplishments over the past two and a half decades, dangerous abandoned coal mines remain within one mile of the homes of more than 3.5 million Americans. Since 1999 a total of 100 people have died in incidents related to abandoned coal mines.

The primary impediment to completing reclamation of abandoned mines is the fundamental imbalance between the goals of the 1977 Act and the requirements for allocating funds under the Act. The statutory allocation formula limits the ability of the Office of Surface Mining to meet its primary objective of abating the highest-priority abandoned coal mines. The majority of funding in the program is distributed to States on the basis of current production. Yet there is no relationship between current production and the number of priority sites in each State, which is a function of pre-1977 production.

Over the past 25 years, the allocation formula has enabled some States and Tribes to complete reclamation of all abandoned coal mines. Others are decades away from completing work on the most critical, high-priority sites. We estimate it will take 60 years to reclaim dangerous abandoned mine sites in Pennsylvania and 50 years in West Virginia.

Our 2005 budget proposal seeks to correct this problem. We propose to direct reclamation grants to sites where the danger is greatest. The reauthorization proposal will allow all States to eliminate significant health and safety problems within 25 years and would remove 142,000 people from risk annually. At the same time, by shifting funds to speed resolution of serious health and safety problems, the pro-

posal will reduce fee collections and spending by \$3 billion over the life of the program.

Under our proposal, States and Tribes that have certified completion of high-priority projects will be paid their accumulated State share balances in the abandoned mine lands fund as of September 30, 2004. These payments will be made over a 10-year period. Going forward, the grants would be distributed for high priority mine reclamation projects.

The 2005 budget proposes an appropriation of \$243.8 million for the abandoned mine lands program, including \$53.0 million for the initial State share balance distribution to certified States and Tribes.

*Indian Trust Programs.*—Fulfilling the Department's trust responsibilities continues as one of our highest priorities and greatest challenges. We appreciate the funding we have received from this Subcommittee in addressing this challenge. The assets of the trust today include over 56 million acres of land. On these lands, the Department manages over 100,000 leases for individual Indians and Tribes. We collect approximately \$194 million per year from leasing, use permits, sale revenues, and interest for 260,000 open individual Indian money accounts. About \$378 million per year is collected in 1,400 tribal accounts for 300 Tribes. In addition, the trust manages approximately \$2.9 billion in tribal funds and \$400 million in individual Indian funds.

For 2005, we are seeking \$614 million for our Unified Trust budget, a net increase of \$161 million.

In 2003, we began to reorganize trust functions in the Bureau of Indian Affairs and the Office of the Special Trustee for American Indians. The new organization is based on a detailed analysis and a year-long consultation process with tribal leaders. Our reorganization reflects a synthesis of the views heard during the consultation process. When fully implemented, the new organization will better meet fiduciary trust responsibilities, be more accountable at every level, and operate with people trained in the principles of fiduciary trust management.

To support continued implementation of the new organization, the 2005 budget proposes a net increase of \$7.2 million, including funding for 85 new trust-related positions at the local level. We request an additional \$4.0 million to quicken the pace at which probate cases are resolved.

Improving our trust organization will not by itself resolve the issues that we face in managing the trust. A still greater challenge remains. That challenge is the fractionation, or continuing subdivision, of individual Indian interests in the land that the Federal government holds in trust. Indian trust lands are primarily transferred through inheritance. With each passing generation, individual interests in the land become further subdivided among heirs, each of whom holds a smaller and smaller interest in the land. Many acres of trust land are already owned in such small ownership interests that no individual owner will derive any meaningful value from that ownership. Without corrective action, this problem will grow exponentially.

As the number of interests grows, we expect the cost to the Federal government for managing, accounting for, and probating these interests to increase substantially, possibly to as much as \$1 billion at the end of the next 20 years.

The Indian Land Consolidation program, which acquires small ownership shares in allotted land from willing sellers, is a critical component of trust reform. We have conducted this program as a pilot for several years. The pilot has taught valuable lessons about the need to target purchases to maximize return of land to productive use and allow closure of accounts associated with fractional interests.

The 2005 budget proposes an unprecedented amount of \$75.0 million for Indian land consolidation, an increase of \$53.3 million. This funding will support an expansion beyond the seven pilot reservations to include additional reservations with the most highly fractionated lands. On a nationwide basis, we are targeting opportunities to purchase the most fractionated interests. Interior plans to use contractual arrangements with Tribes or private entities to acquire individual interests.

This commitment to end fractionation will also require legislative action to provide for workable probate reform, disposal of unclaimed property, and partition of land. We want to continue to work with the Congress to find meaningful and constructive solutions to these issues.

The 2005 budget also proposes funding to address the issue of accounting for past transactions in the trust. As the Subcommittee is aware, the American Indian Trust Management Reform Act of 1994 requires the Secretary of the Interior to "account" for "the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian Tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938."

The Department is currently involved in a major class action, *Cobell v. Norton*, and 25 tribal suits over the Department's management of Indian trust funds. On

January 6, 2003, as ordered by the District Court in the Cobell litigation, the Department filed *The Historical Accounting Plan for Individual Indian Money Accounts*. This plan provides for an historical accounting for about 260,000 individual Indian accounts over a 5-year period at a cost of approximately \$335 million. The accuracy of the transactions would be verified by reviewing support documentation on a transaction-by-transaction basis for all transactions over \$5,000 and by statistically sampling transactions under \$5,000. The sampling methodology would be designed to provide a 99 percent confidence level at any error rate.

On September 25, 2003, the Cobell court issued a structural injunction directing a far more expansive accounting and requiring that it be completed under more constrained time lines. We estimate that the cost of compliance with the structural injunction would be between \$6 to \$12 billion. An appeal from the September decision is pending. The Court of Appeals for the D.C. Circuit has stayed the structural injunction. In addition, the 2004 Interior Appropriations Act provides that the Department is not required to commence or continue an accounting for IIM accounts until 2004 or the Congress amends the Trust Management Reform Act to delineate the Department's historical accounting obligations or until December 31, 2004, whichever occurs first.

The 2005 budget includes \$109.4 million for historical accounting. This increase of \$65.0 million over the enacted 2004 appropriation is targeted to provide \$80.0 million for IIM accounting and \$29.4 million for tribal accounting. The budget for IIM accounting is based on the estimate of the Department's costs to continue implementation of its historical accounting process. This amount may be revised depending on how the Court of Appeals rules with regard to the structural injunction in the Cobell case and on whether Congress acts to delineate the specific historical accounting obligations of the Department as suggested in the 2004 Appropriations Act. The Department will continue to work with the Congress and trust beneficiaries to consider settlement of the historical accounting and related issues.

#### INVESTING IN CONSERVATION

*Healthy Forests and Rangelands.*—A significant, ongoing challenge we face is that of wild land fire and the risks that catastrophic fires pose to communities. The fires in California last fall were a poignant and tragic reminder that we must care for our forests and rangelands. Our Nation's communities must not continue to experience the unnatural, catastrophic fires that have devastated homes and habitat in recent years.

This past December, President Bush signed the Healthy Forests Restoration Act. This landmark bipartisan legislation will help to restore forest and rangeland health and reduce threats from destructive wild fires. It will also encourage public participation in selecting and implementing projects to reduce unnaturally high levels of brush build up and overly dense tree stands.

As part of our \$743.1 million wild land fire proposal for 2005, the budget includes \$209.3 million, a \$25.0 million increase over 2004, to conduct fuels reduction projects and to monitor the results. In combination with forest and range improvement activities funded in other Interior programs, the 2005 budget includes over \$300 million to advance the goals of the Healthy Forests Restoration Act. Including funding for the Forest Service, the 2005 budget includes \$760 million to meet the goals of the Act.

The 2005 request for the wild land fire program also includes \$221.5 million, an increase of \$28.6 million, to fund suppression activities, based on the 10-year average, and an increase of \$6.5 million for preparedness to address increasing costs in aviation contracts and for the fire program analysis system.

*Cooperative Conservation.*—Among Interior's most inspiring roles is its mission to conserve lands and waters across America. As we are all aware, nature knows no jurisdictional boundaries. Conservation in the 21st century depends increasingly upon partnerships across a mosaic of land ownerships. At Interior, we recognize that we cannot manage federal lands successfully unless we are able to work with adjacent landowners, States, Tribes, and communities. We also recognize that the nation cannot achieve its conservation goals solely by relying upon—and adding to—the federal dominion of lands.

These two perspectives underscore the importance of cooperative conservation. Through a variety of conservation partnerships, Interior's land managers are joining with citizen stewards to remove invasive species, reduce stream bank erosion, and enhance habitat for threatened and endangered species. Through these partnerships, the Department is building the new environmentalism of citizen stewards called for by President Bush. These partnerships leverage federal dollars by a factor of two or more. They engage Americans in conservation. They help us work with

citizens to find common ground and simultaneously achieve healthy lands, thriving communities, and dynamic economies. We look forward to working with members of Congress and their constituents in these conservation successes.

The 2005 budget proposal expands opportunities for conservation partnerships with citizens, organizations, and communities throughout the Nation. The budget proposes to spend \$507.3 million, a 20 percent increase, to expand opportunities for conservation partnerships with citizens, organizations and communities.

A cornerstone of our conservation partnership budget is the Cooperative Conservation Initiative. The Department has a long history of working cooperatively with others to achieve its conservation mission. Yet the resources available to land managers to foster innovative and collaborative conservation have fallen short of the demand. Across the nation, citizens are working to overcome conflict and, instead, work together to maintain healthy lands and waters. Our Cooperative Conservation Initiative seeks to address this growing demand, giving managers the support necessary to leverage funds with private citizens, States, Tribes, communities, and businesses to protect and restore habitats, wildlife and plants.

Our Cooperative Conservation Initiative builds on existing conservation partnership programs that have established productive relationships with local communities and citizens. In total, we propose that this initiative will provide \$129.5 million, an increase of \$25.5 million, for a suite of seven programs: the challenge cost share programs in the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service; the FWS Coastal program; FWS Migratory Bird Joint Ventures; FWS Partners for Fish and Wildlife; and Take Pride in America.

The budget proposes \$29.6 million for challenge cost-share activities, an increase of \$8.4 million over 2004. This request will enable land managers to undertake additional natural resource restoration and species protection projects on or impacting Federal lands. Dynamic partnerships with individuals, Tribes, State and local governments, non-profit organizations, and others will support an array of projects to restore damaged habitats and lands and achieve the conservation goals of the Department's land management agencies. Projects require a one-to-one match or better, thereby at least doubling the benefits of Federal dollars. The request for the bureau traditional challenge cost-share programs is \$24.4 million.

In 2003, challenge cost-share programs funded 256 resource restoration projects with more than 700 partners in 40 States and Puerto Rico. The ratio of matching non-Federal funds to Federal funds was nearly two-to-one, with the Federal portion at \$12.9 million and total funding at \$36.0 million.

The 2005 budget includes \$50.0 million for the Partners for Fish and Wildlife program. Through the Partners program, the Fish and Wildlife Service has established productive relationships with communities and over 30,000 landowners, providing financial and technical assistance and restoration expertise to private landowners, Tribes, and other conservation partners. Since its inception in 1987, the Partners program has restored 677,000 acres of wetlands; nearly 1.3 million acres of prairie, native grassland, and other uplands; and 5,560 miles of stream and streamside habitat.

In 2005, the Partners program will leverage \$5.0 million in the High Plains region through a public/private initiative that will restore grassland habitats and declining species over an 11-State region. In cooperation with landowners and other partners, the Fish and Wildlife Service will focus conservation efforts on restoring, enhancing, and protecting 2 million acres over the next 10 years. The 2005 Partners budget also includes \$6.2 million for partnership efforts in the Upper Klamath basin.

Augmenting our partnership achievements is the work of over 200,000 volunteers who provide over 8 million hours to Interior's programs and projects throughout the Nation. These volunteers help repair and maintain trails, restore habitat, participate in monitoring and research programs, and assist our land managers in many other ways. To promote this spirit of volunteerism, the Department has reactivated the Take Pride in America program. In California, volunteers enlisted through Take Pride pledged 400,000 hours of service to help restore areas devastated by wild land fires. The 2005 budget includes \$1.0 million for the Take Pride program as part of the Cooperative Conservation Initiative.

Also funded within the Cooperative Conservation Initiative is the Fish and Wildlife Service's Coastal program, for which we propose a funding increase of \$2.9 million, bringing total funding to \$13.1 million. The Coastal program leads FWS conservation efforts in bays, estuaries, and watersheds around the U.S. coastline and leverages Federal funding at a rate of 4:1. We also propose to increase funding for the Migratory Bird Joint Ventures program by \$1.2 million for a total of \$11.4 million. The funding increase will allow FWS to enhance 15 existing Joint Ventures and fund the Northern Great Plains and Central Hardwoods Joint Ventures.

*Endangered Species Grant Programs.*—The Department's cooperative conservation efforts also include a number of grant programs that provide expanded opportunities for State, tribal, local and private partners to participate in conservation and protection of endangered, threatened, and at-risk species. These programs will help this nation invest habitat protection and recovery of species—the ultimate goal of the Endangered Species Act. Through these investments, we can achieve on-the-ground conservation results and help avoid the conflicts, land management stresses, and procedural workloads that ensue when species become endangered.

The Landowner Incentive Program provides competitive matching grants to States, Territories, and Tribes to create, supplement, or expand programs to protect and manage habitats on private lands that benefit listed species or species at risk. The 2005 budget includes \$50.0 million to assist private landowners in conserving and restoring habitat for endangered species and other at-risk plants and animals. This is an increase of \$20.4 million over 2004.

The Private Stewardship Grants program provides grants and other assistance to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit federally listed, proposed, candidate or other at-risk species. A panel of representatives from State and Federal government, agricultural and private development interests, and the scientific and conservation communities assess and make recommendations regarding these grants. The 2005 budget proposes \$10.0 million for the program, a \$2.6 million increase over 2004.

The Cooperative Endangered Species Conservation Fund provides grants to States and Territories to participate in projects to conserve candidate, proposed, and threatened and endangered species. Grants to States and Territories allow them to participate in an array of voluntary conservation projects for candidate, proposed, and listed species. These funds may in turn be awarded to private landowners and groups for conservation projects. The CESCFC grants include funding for States and Territories to implement conservation projects to support the development of Habitat Conservation Plans and to acquire habitat for threatened or endangered species. The 2005 budget proposes \$90 million, an increase of \$8.4 million, for the appropriated portion of this program.

Our grant programs also aid a wide variety of other wildlife. The 2005 budget proposes \$80.0 million for the State and Tribal Wildlife Grants program. These grants help develop and implement State and tribal programs for the benefit of wildlife and its habitat, not limited to species that are hunted or fished. The program exemplifies our cooperative conservation vision, allowing States and Tribes to tailor their conservation efforts in a manner that best fits local conditions. A \$10.9 million increase for the program in 2005 will significantly advance efforts of State and tribal fish and game agencies to address on-the-ground wildlife needs. Based on the high level of interest in this program, we expect this program will have lasting benefits for fish and wildlife, while fostering stronger working relationships between Federal, State and tribal governments.

*Full Funding for the Land and Water Conservation Fund.*—Our cooperative conservation programs are an important component of the 2005 Land and Water Conservation Fund budget request. Overall, the Department's budget seeks \$660.6 million from the Land and Water Conservation Fund for 2005, including \$153.3 million for land acquisition and \$93.8 million for the State grant program. The Department's request, combined with the request for the U.S. Forest Service, brings total government-wide LWCF funding to \$900.2 million.

The 2005 LWCF budget includes the same mix of programs proposed in 2004. This mix strikes an effective balance between Federal land acquisition and cooperative efforts to fulfill LWCF goals.

We believe effective conservation of lands and natural resources cannot rely primarily on expanding the Federal estate through land acquisition. Such acquisitions remove lands from the local tax base. Equally significant, each time we acquire more Federal lands, future operations and maintenance costs ensue in perpetuity. Supporting local recreation and conservation through partnership programs enables us to leverage Federal funding. In many cases, these programs match Federal funds at a ratio of more than two to one. They give us an opportunity to work hand-in-hand with States, communities, and local landowners to build support for long-term conservation.

#### PRESERVING HERITAGE

*Historic Preservation.*—March 4, 2003 President Bush and the First Lady announced the Preserve America initiative to enhance the Federal government's assistance in protecting and supporting the contemporary use of historic properties. Developed in cooperation with the Advisory Council on Historic Preservation and

the Department of Commerce, this initiative promotes heritage tourism and wide-ranging partnerships for the use and preservation of historic properties. Currently, 26 States have some form of heritage tourism program, an economic development tool that enhances education, creates jobs, and increases property values and tax revenues.

The 2005 budget includes \$10.0 million for Preserve America grants to support community efforts to demonstrate sustainable uses of historic and cultural sites and provide economic and educational opportunities related to heritage tourism. Grants will be awarded competitively to preservation entities, such as State and tribal historic preservation offices and designated Preserve America communities. The Save America's Treasures program, which helps preserve nationally significant buildings and cultural artifacts, with proposed funding of \$30.0 million, complements Preserve America.

Included within our LWCF Federal land acquisition request is \$5 million for partnerships with States and local governments to preserve Civil War battlefields, many of which lie amid areas of rapid development in the eastern States.

#### LAND MANAGEMENT CHALLENGES

*Invasive Species.*—Invasive species threaten the ecological and economic health of the Nation. The total national costs associated with invasive species may exceed \$100 billion annually. An estimated 5,000 to 6,000 invasive species have already become established in the United States. The most effective strategy to protect native species and their habitats is early detection to prevent the establishment of additional invasive species.

The 2005 budget includes \$58.3 million for a multi-agency effort to address invasive species challenges. Funding will be used to control invasive species such as salt cedar in the southwest and control of the brown tree snake population on Guam to prevent its establishment on other Pacific islands and the U.S. mainland. In addition, Interior agencies will focus on early detection and rapid response and conduct research to develop test methods and control strategies. The priorities for the use of invasive species funding are established by the National Invasive Species Council.

*Wild Horses and Burros.*—Approximately 39,000 wild horses and burros occupy public rangelands. Projected levels of removal and adoption are not keeping pace with the growth in the populations of these animals. The Bureau of Land Management predicts an unsustainable and unmanageable rise in the population based on current management regimes, creating the likelihood of ecological imbalance and degradation of rangelands, forage resources, and wildlife habitat. The 2005 budget proposes increased funding for a long-term strategy to bring the number of horses to an appropriate management level. The budget includes an increase in appropriated funding of \$10.5 million for the wild horse and burro program to undertake a collaborative program of population and habitat management. This increase is offset with decreases to programs that benefit from achieving appropriate management levels and with reductions to lower priority activities.

*Endangered Species.*—Section 4 of the Endangered Species Act has strict, non-discretionary deadlines for the processing of listing and critical habitat actions. When the Service cannot comply with a section 4 deadline, parties frequently file lawsuits under the citizen suit provision of the ESA. These missed deadline suits result in court orders or settlement agreements requiring the Service to act, as courts have concluded that they have little or no discretion to give the Service relief from the mandatory deadlines of section 4 of the ESA. Since fiscal year 2000, the Service's listing program has faced a continuing situation where the amount needed to complete court ordered listing actions (primarily critical habitat designations) pursuant to section 4 litigation has been estimated at or exceeding the funding available. In fiscal year 2003, for example, the Service exhausted essentially all of its fiscal year 2003 budget for critical habitat designations by the end of July and was compelled to suspend work on a number of designations that were required by court orders or settlement agreements until additional funding became available. The program expects continued litigation in fiscal year 2004 and 2005. The total funding request for the endangered species listing program is \$17.2 million, an increase of \$5.1 million. Of this amount, \$13.7 million, an increase of \$4.8 million, is for critical habitat designations for already listed species. This increased funding will allow the Fish and Wildlife Service to meet its current and anticipated court orders for critical habitat designations. The request also includes \$3.5 million for other listing activities, an increase of \$240,000.

## MANAGING RESOURCES

*Klamath Basin.*—The Department's partnership efforts are bringing about change in the Klamath Basin. Interior bureaus, partnering with other Federal agencies, are restoring habitat, removing fish migration barriers, acquiring land, using water banking, and researching the ecology of the federally-listed fish species. Through these partnership efforts, the Department is seeking long-term resolution of conflicts over water and land management.

The 2005 budget includes \$67.2 million for this effort, including \$32.4 million for the Bureau of Reclamation and \$34.8 million for work to be conducted by other Interior bureaus. Other government agencies will provide an additional \$38 million, bringing a total of \$105 million to this effort. In addition to the \$6.2 million increase in the FWS Partners program mentioned earlier, the budget includes funds to remove the Chiloquin Dam, which impedes passage of endangered suckers to 70 miles of spawning habitat on the Sprague River, and to acquire lands adjacent to Agency Lake Ranch to increase water storage and fisheries habitat restoration. Additional funding will also support water banking, water supply enhancement, and water quality improvement.

*Energy.*—Lands and waters managed by Interior produce about 30 percent of the Nation's energy supply. Approximately one-third of the natural gas, coal, and oil, one-half of geothermal energy, 17 percent of hydropower, and 20 percent of wind power are produced in areas managed by Interior. We are committed to implementing the President's National Energy Plan, a part of which focuses on a long-term strategy for producing traditional and renewable sources of energy on Federal lands while maintaining environmental protections and involving all interested persons in open decision-making processes.

The 2005 budget request will help meet the Nation's energy needs by focusing on timely access to oil and natural gas resources on public lands, consistent with publicly developed land-use plans. We propose to maintain Bureau of Land Management oil, gas, and coal programs at the 2004 funding level of \$104.4 million through a combination of appropriated funds and \$4.0 million in additional user fees generated through a proposed rulemaking to bring fees closer to costs for certain services. This funding level preserves significant increases that were appropriated over the last few years to continue making significant progress in reducing permitting backlogs and expediting access to energy resources. The budget also includes an \$800,000 increase to enhance permitting of renewable energy development and processing of rights-of-ways for both renewable and non-renewable energy resources.

As electric power plants shift from coal to clean-burning natural gas, the demand for natural gas is expected to increase significantly in the next 10 to 15 years. Gas hydrates present promise as an additional domestic source of natural gas to meet this skyrocketing demand. The 2005 budget for the Minerals Management Service proposes an increase of \$200,000 to begin a tract-specific hydrate assessment to determine fair market value once production is practical. The Minerals Management Service proposes \$400,000 to complete phase one of a 2-year study to examine the potential environmental impacts of the recovery of this energy source.

The 2005 MMS budget includes an increase of \$4.3 million for the Outer Continental Shelf Connect e-government initiative. The request represents the third year of a 6-year project to dramatically reform and streamline offshore business operations by improving connectivity between the government and the public. The initiative will create a citizen-centered web presence and build an e-government infrastructure across agencies. Total funding for the initiative in 2005 will be \$16.0 million.

To ensure that the government receives optimal value on lease permits, technology used by MMS must keep pace with the private sector, which has embraced and developed new technologies to meet the increasing challenge of competition in exploring for petroleum resources. The 2005 budget includes \$1.9 million for a 3-D visualization room, additional geological interpretive tools training, workstation-ready well logs, and seismic data management. All of these technologies have been routinely used by the private sector since 1995 for making fair market determinations on lease sales.

## MONITORING AND SCIENCE—KEYS TO PERFORMANCE

*Monitoring for Results.*—Central to Interior's resource protection and resource management efforts is an emphasis on results. The 2005 budget proposes to increase monitoring programs to strengthen the Department's capacity to assess program results and use that information to improve management. The budget requests \$77.6 million for the NPS Natural Resource Challenge, an increase of \$4.4 million over the 2004 level, to enhance the Park Service's capability to track ecosystem health

and water conditions. The increase will fund six additional vital signs monitoring networks, bringing the total networks to 28. The increase will also fund the remaining seven of 32 water quality monitoring networks.

The 2005 budget request for the Bureau of Land Management includes an increase of \$4.0 million to strengthen and enhance resource health monitoring. Information on the health of resources and trend data help land managers develop and revise long-term resource management plans and guide day-to-day operational and permitting decisions. Monitoring programs provide information needed to ensure that land use plans and management decisions are having their intended effect. Monitoring also identifies changes in the status of resources on public lands. The 2005 increase, which builds on the \$1.9 million provided in 2004, will allow BLM to increase monitoring of oil and gas activity, rangeland management, and overall implementation of land use plans.

We also propose additional increases for monitoring in the Fish and Wildlife Service to strengthen migratory bird programs and in the wild land fire program as a component of the Healthy Forests Initiative.

*Science.*—Scientific research provides information needed to understand and resolve many of the complex issues faced by the Department. The U.S. Geological Survey is the Department's primary source of scientific research, earth sciences data, and other geologic information and conducts research on earth and biological processes, including natural resources and natural hazards. The 2005 budget request includes \$919.8 million to continue the Department's science programs in the U.S. Geological Survey.

The Department is increasing the role of science in improving the effectiveness of Federal resource management decision-making. We are also avoiding duplication in our science efforts. The 2005 budget requests an increase of \$1.2 million for "Science on the DOI Landscape" to address priority bureau science needs. The USGS budget also includes \$1.0 million for Water 2025. This joint initiative with the Bureau of Reclamation will minimize future western water crises by fostering conservation and interagency coordination, enhancing water supplies through improved technologies, and managing water resources in cooperation with others. Funding requested for USGS will be used to conduct groundwater availability assessments, develop tools and techniques for protecting biological resources while meeting water supply needs, and to improve methods to characterize aquifers.

Earthquakes, volcanic eruptions, landslides, coastal storms, erosion, and flooding pose threats to lives and property and undermine local and national economic health. The Department is enhancing the quality and timeliness of information provided to communities so they can improve their warning systems, planning processes, response efforts, community education, and building modifications. The 2005 budget maintains the 2004 funding of \$4.4 million for the Advanced National Seismic System. During 2005, USGS will continue to upgrade and install new seismic monitoring stations. Information from these stations will support real time earthquake shake maps for emergency response in five metropolitan areas. The 2005 budget requests an increase of \$800,000 to expand pilot high-technology radar investigations to develop a national monitoring capability. This capability will provide increased tracking of the behavior of volcanoes, including Yellowstone Caldera in Yellowstone National Park, Three Sisters volcano in Oregon, and four to six Alaskan volcanoes.

#### IMPROVING LAW ENFORCEMENT AND SECURITY

The Department is second only to the Department of Defense in the number of facilities it manages and operates. Stewardship of the Nation's parks, refuges, public lands and facilities requires law enforcement and security expertise to ensure safety and security for employees, visitors, and facilities. Our 2005 budget request includes an increase of \$24.7 million over the 2004 level for law enforcement and security for agencies funded in the Interior bill.

To enhance security at major National Park icons, the budget includes operational increases of \$2.1 million for the National Park Service and \$2.0 million for the U.S. Park Police. We request an additional \$2.0 million in construction funding to complete security improvements at Independence Hall in Philadelphia.

The 2005 budget contains increases totaling \$5.3 million in the National Park Service, Fish and Wildlife Service, Bureau of Indian Affairs, Bureau of Land Management, and the Departmental Office of Law Enforcement and Security to improve law enforcement efforts in border areas. The Department's land management agencies manage and protect public lands along the Nation's borders that comprise 39 percent of the southwest border, 31 percent of the southeast border (Texas to the Florida coastline), and 14 percent of the Canadian border. While primary responsi-

bility for border security rests with the Department of Homeland Security, Interior agencies have an obligation to protect employees, visitors, natural resources, and agency facilities.

The 2005 budget also continues to implement a Secretarial order for 25 law enforcement reforms recommended by the Office of the Inspector General to improve accountability and efficiency. Key reforms include implementation of an off-the-shelf reporting system for law enforcement incidents to be used by all agencies within the Department. We request \$5.2 million for this new system. Increases totaling \$2.8 million in the National Park Service and Fish and Wildlife Service will support law enforcement management reforms in those agencies.

The 2005 budget includes an increase of \$7.8 million for the Bureau of Indian Affairs to operate eight new detention facilities serving Indian populations. These facilities, constructed through a joint initiative with the Department of Justice, will be completed by 2005. These new facilities meet current detention standards and alleviate conditions such as overcrowding and mixing of juvenile and adult detainees.

#### PAYMENTS IN LIEU OF TAXES

Congress passed the PILT Act in 1976 to provide payments to local governments in counties where certain Federal lands are located within their boundaries. Local governments incur costs associated with Federal lands within their boundaries, but are unable to collect taxes on the lands. PILT payments are made to local governments in lieu of tax revenues and to supplement other Federal land receipts shared with local governments. Local governments use PILT payments to improve local school, water, and road systems, as well as for other necessary infrastructure. The 2005 budget proposes \$226.0 million for PILT, a \$1.3 million increase over the 2004 enacted level, and the highest level ever for the program.

#### MANAGEMENT EXCELLENCE

Behind all of Interior's programs, out of the limelight, rests a management foundation that is vital to the accomplishment of our mission. The environment in which the department delivers services and carries out its mission is changing, driven by the same forces that are reshaping the Nation. The American people are demanding more from their public servants and calling for better business management practices, improved efficiency, financial transparency, and mission accountability. Management challenges facing the Department are increasingly complex, requiring more sophisticated approaches in human resource planning, organizational governance, facilities management, and technology security. Legislated requirements and government-wide innovations call for increased management rigor. In the past decade Congress has enacted extensive legislation including the Government Performance and Results Act, Government Management Reform Act, Chief Financial Officers Act, Federal Financial Improvement Act, Debt Collection Improvement Act, and Information Technology Management Reform Act.

With a solid foundation of employees, volunteers, and partners working toward a common set of goals, we have made significant advances in our quest for management excellence.

- Our bureaus are completing condition assessments of all facilities so that we can maintain and manage them better. The Bureau of Indian Affairs and the Bureau of Reclamation have already completed their assessments and the other agencies are well underway.
- Our agencies are implementing 25 Secretarial directives to strengthen our law enforcement programs and improve our ability to ensure the safety of the visiting public and our employees and volunteers.
- We consolidated the purchase of information technology systems to achieve significant savings and to provide consistency and interoperability within the Department.
- We achieved an unqualified audit opinion for the Department and each of our eight bureaus. We completed this process within 60 days of the close of the fiscal year, one of only eight agencies to do so.

In 2005, the Department will continue to support the President's Management Agenda and build on this foundation for management excellence. The 2005 budget includes increased funding for management priorities including two that are highlighted here, the Financial and Business Management System and the Enterprise Services Network.

Our budget proposes \$18.6 million for the Financial and Business Management System, a \$7.0 million increase over 2004. This system will replace a combination of systems for processing financial and related transactions and meet the Depart-

ment's needs for business management information. It will revamp administrative processes throughout the Department by modernizing and integrating financial management, acquisition, property management, grants administration, and other subsidiary systems.

The Enterprise Services Network will integrate and consolidate the Department's networks, systems, and computing environmental to provide secure and robust telecommunications within the Department and to customers. The 2005 budget includes \$8.0 million for this initiative.

The 2005 budget also requests funding for bureau-specific improvements, including \$2.7 million to address material weaknesses in the U.S. Geological Survey's financial management practices. The USGS budget also includes \$1.8 million to modernize and centrally support key information technology management practices to enhance service and eliminate critical deficiencies in the bureau's information technology security infrastructure.

#### CONCLUSION

The budget plays a key role in advancing our vision of healthy lands, thriving communities, and dynamic economies. Behind these numbers lie people, places, and partnerships. Our goals become reality through the energy and creativity efforts of our employees, volunteers, and partners. They provide the foundation for achieving the goals highlighted in our 2005 budget.

This concludes my overview of the 2005 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

Senator BURNS. Thank you, Madam Secretary. I'm going to start my questions. I've got quite a backlog of questions, and we got started 45 minutes late this morning. I'm going to start with the committee members, Senator Dorgan, we'll start off with you.

#### UNITED TRIBES TECHNICAL COLLEGE

Senator DORGAN. Thank you, Mr. Chairman. Thank you for your statement. Your statement reflects again how large the agency is and how many varied and different functions that you perform. Let me go right to the question of the United Tribes Technical College [UTTC], because you have visited there and you know that not only am I concerned but I'm sure my colleague from New Mexico, Senator Domenici, is concerned with respect to Crown Point.

Tell me if you will why there is a zeroing out of the \$3 million that we have appropriated for in the past for UTTC.

Secretary NORTON. The budget for the overall administration provides strong funding for tribal colleges, including the United Tribes Technical College. There is a program in the Department of Education that provides substantial funding for the United Tribes Technical College that is above and beyond anything that other tribal colleges receive through the Department of the Interior budget.

We have a chart that reflects the funding that goes to the United Tribes Technical College compared to the other tribal community colleges that are funded within the Department of the Interior budget. And as you can see from this chart, the average of all of the other tribal colleges is about \$9,500, and that is per-student funding.

When you look at the money received by the United Tribes Technical College that comes from the Department of Education, they receive about \$16,500 per student, and so as we looked at the overall funding, we felt that it was most equitable to have the funding for all of the tribal colleges be somewhat on a par.

There are funds that are also available through the Department of Labor under a new initiative from the President for jobs training through community colleges. We are working with the Department of Labor as they put together their grants requirements for that program to ensure that tribal colleges will also be eligible for that funding.

So if you look across the board at Federal funding, you can see that there is funding very strongly available for the United Tribes Technical College.

Senator DORGAN. Well, Madam Secretary, first of all, the request for tribally-controlled community college funding is \$5.2 million from the current enacted level, so below, so it has been cut \$5.2 million below current enacted levels, so I don't think there's robust funding for tribal colleges, in fact it has been cut. And even at that level, even at last year's level, we are funding on a per-student basis dramatically below what other colleges would receive for per-student funding.

Let me say with respect to this chart, that chart gives, in my judgement, an inaccurate representation of per-student funding, because you're comparing two different kinds of colleges, one which requires 18 credit hours per student on the right side and the other 12 credit hours per student, so you'd have to make an adjustment and create a new chart if you're going to compare these colleges. The better comparison would be the two tribal colleges, the two colleges, Indian colleges that you actually run in the Department, which is Haskell and SIPI. If you compare that on a per-student basis, that would be an accurate comparison, but this just is not accurate in my judgement.

We, I believe, will restore the funding for United Tribes Technical College. I think it is an important educational institution. I regret that \$3 million has been eliminated and I would hope once again as we go into another budget cycle at some point in the future that it will be considered on its merits and be funded in the administration's budget.

#### TRIBALLY-CONTROLLED COMMUNITY COLLEGES

Let me go to tribally-controlled community colleges. You know, I understand this is a big old budget and there are many areas of priorities. There are proposed increases in funds for a range of areas, the Wild Horse and Burro Program, which I want to ask you about in just a moment, landowner incentive grants, New Start Preserve America program and so on. And yet, as I indicated, the tribal college funding would be \$5.2 million lower than last year, and I just, just speaking for myself, I think that is a missed priority and one that we need to correct if we can.

Can you give me your impression of the value of tribal colleges in your judgement?

Secretary NORTON. Tribal colleges are very important and community colleges overall are very important. The President has put an emphasis on that through his proposal going through the Department of Labor. In looking across the board, we see that the funding that we propose for 2005 is nearly 40 percent higher than 1999 funding.

You talked about the comparison with Haskell and with SIPI. Haskell is about \$9,000 per student. SIPI is \$5,000. Overall, we do want to see more support for community colleges, but our tribal community colleges are funded at about \$2,000 more per student than community colleges across the country, more than non-tribal community colleges. So these are important programs. We support strengthening all of our educational activities. We believe that we are achieving through this budget an equitable allocation of the funding across community colleges.

#### LANDOWNER INCENTIVES GRANT PROGRAM

Senator DORGAN. Madam Secretary, on the Landowner Incentive Grant program you're proposing an increase of \$20 million. The Fish and Wildlife Service says that because of the newness of this program, there's no cost data available so they can't measure the success of it. So on what basis are we proposing a pretty substantial increase in that program at a time when we're proposing cuts in tribal colleges and cuts in UTTC and so on? What's the basis for proposing an increase without having the ability to measure what we've done there.

Secretary NORTON. If you look at the issues that are facing land users across this country, whether it's public or private, we see potentially tremendous impacts from endangered species. The landowner incentive program provides us with another approach that lets us work cooperatively with landowners in order to enhance habitat for species.

If we look across a variety of different kinds of endangered species, sage grouse, for example——

Senator DORGAN. I understand that——

Secretary NORTON [continuing]. Is one that is going to have a tremendous impact. This lets us get ahead of the curve, and instead of having tremendous economic disruption from the listing of an endangered species, we can recover that species before it gets to the point of having tremendous harm for farmers and ranchers and other land users.

Senator DORGAN. I don't have a disagreement with that. My question was, the recommended \$20 million increase before Fish and Wildlife and others say we've been able to measure whether or not this is effective and whether we're accomplishing——

Secretary NORTON. We've seen tremendous results from our first years of that program, and it is something that we believe in looking at our overall endangered species program is the best way to tackle the problems of endangered species.

Senator DORGAN. Can you share with us then—as I said, the Fish and Wildlife says because of the relative newness of this program, no significant cost and performance data are currently available. Would you share with us whatever information exists that persuades you to recommend or the administration to recommend this \$20 million increase?

Secretary NORTON. I'd be happy to provide you with additional information.

[The information follows:]

INFORMATION ON LANDOWNER INCENTIVES PROGRAM TO SUPPORT \$20 MILLION  
INCREASE

The Landowner Incentives Program provides matching, competitive grants to States, the District of Columbia, Territories, and federally recognized Tribes. These grants are used to establish or supplement existing programs that provide technical and financial assistance to private landowners to help them protect and manage imperiled species and their habitat. The program provides an opportunity for all States to develop the capacity to implement programs modeled after several innovative State programs.

This program's short history does not allow us to provide quantitative performance data. However, the Service is currently developing performance measures for full implementation during fiscal year 2005, which will become the baseline year for future refinement and application, and plans to solicit additional input from program cooperators that may ultimately add to or refine these measures. Specifically, these performance measures will monitor the use of funds and document the number of land acres and stream/shoreline miles that are protected, restored or maintained on lands through this program.

The Department believes that the outreach and program support provided by the Service, the significant level of interest from States and other interested parties, and the demonstrated need for a program like this provide a strong justification for the fiscal year 2005 budget request. The Service has worked to ensure that States and Tribes are aware of this program, and that their questions and concerns were considered as the Service created and implemented this new program. In fiscal year 2003, the Service sought input on its implementation guidelines from States and FWS regional offices, and modified the program guidelines accordingly.

The response from States clearly underscored their interest in this program. In fiscal year 2003 the Service had \$34.7 million available to fund grants to States, yet received requests totaling over \$60 million from 47 States. The \$34.7 million was provided to 42 States and territories. For fiscal year 2003, 23 Tribal grants totaling \$3.9 million have also been approved.

In fiscal year 2004, \$25.9 million is available for the Landowner Incentives program for States, yet the Service has received requests totaling \$41.8 million from 43 States and the U.S. Virgin Islands. Grants to 41 States and territories have already been approved by Director Williams.

Examples of the types of activities supported by Landowner Incentive Program grants include the following:

- In California, a \$1.3 million grant to help landowners in the Sacramento Valley, Delta/Suisun Marsh and San Joaquin Basin manage 1,130 acres of riparian habitat for a 3-year period and 1,000 acres of native grasslands for a 4-year period until these habitats are self-sustaining. Landowners also will manage 950 acres of critical, permanent wetlands to meet the needs of at-risk wetland species and provide an additional 2,500 acres of post-harvest flooded cropland directly beneficial to fall migrant shorebirds and breeding waterbirds.
- In Maine, a \$1.3 million grant will support implementation of the State's ongoing, broad-scale habitat conservation planning effort, Beginning with Habitat. The funds will help landowners conserve habitats to benefit species at risk. It will also allow the State to provide technical and financial assistance to landowners for habitat protection and restoration.
- In Nevada, a \$364,500 grant will help the State establish a program to assist landowners in conserving imperiled species through sagebrush and riparian habitat management, conservation and restoration.

WILD HORSE AND BURRO

Senator DORGAN. I appreciate that. And let's go to the Wild Horse and Burro Program just for a moment. Again, this is a \$13 million proposed increase. I think I understand the challenges that you face with respect to wild horses and burros, and yet, again, because I'm very concerned about tribal colleges, United Tribes Technical College and other areas, I see a \$13 million increase in the Wild Horse and Burro Program, and it appears to me that there are roughly 39,000 wild horses and burros on the open range. That looks to me like it's over \$1,000 per animal that's proposed to be spent on that program. Having raised horses and cattle myself, I recognize it's very hard to spend \$1,000 per animal. I don't know

what one would have to do to create housing for an animal in my hometown for \$1,000 a year.

But nonetheless, describe for me what we're doing on wild horses and burros that persuades us to increase the request by \$13 million.

Secretary NORTON. We are at a very critical time in the Wild Horse and Burro Program. We've been bringing down the numbers of wild horses that are on the range. We are about to get to sustainable levels so that we can keep those horses at a level that is sustainable on the areas that are open to them.

Unfortunately, it is a very expensive program to run. In order to bring those numbers down, because we can't use the same kind of management techniques we use for other wildlife, we have to round the horses up, transport them to adoption facilities which are on the East Coast or in other population centers, to try to get people to adopt those horses. We have to do medical treatments and so forth for them on the way. If we are not successful in adopting them, the only thing that the law leaves open to us is long-term pasturing of those horses. And so we have tremendous maintenance costs that are because of the long-term need to do that.

In order for us to prevent that program from having higher and higher and higher costs in the long-term future, we need to get those population numbers under control now. That's why we're trying to put in a big push today so that we prevent higher costs in the future.

#### PARK POLICE CHIEF

Senator DORGAN. Madam Secretary, let me ask you one additional—well, I won't ask a question, I'll ask you if you'll provide some information to us. I've not said anything publicly about this and will not at this point, but I do want to ask you a question about the issue of Theresa Chambers and the Park Police. You know that we've read a lot in the Washington Post and other journals about this person who apparently spoke publicly and said that they are underfunded, understaffed, and she subsequently lost her job.

I know it's the subject of litigation so you likely will tell me you can't say much about it, but it is of interest to me and concern to me. As I said, I've not spoken publicly about it and don't know very much about it. I know last week that, yesterday in fact, there was a hearing over in the House about a fellow who in the Medicare area withheld information on request from the Congress about costs, and this Theresa Chambers apparently spoke publicly on television about the Park Police and the funding and she was suspended and I suspect probably fired.

Would you submit for at least my information whatever information you can submit so I understand what's going on here?

Secretary NORTON. We would be happy to do that. As you well recognize, that is a matter of employee privacy and we are restricted from what we can say publicly on that.

[The information follows:]

## INFORMATION ON PARK POLICE CHIEF

Ms. Chambers has not been dismissed from the National Park Service. She is on administrative leave while a proposal to remove her from the Service and her response to the proposal are reviewed by the Deputy Assistant Secretary for Fish and Wildlife and Parks. Except as may be governed by statute or regulation, Department of the Interior officials are not prohibited from expressing themselves to, or holding conversations with, members of Congress.

Senator DORGAN. I respect that and again hope you respect I've not gone off and made any comments about this, but I am concerned about whether those who perhaps should be able to answer questions of whether funding is adequate in certain areas or what the cost might be, whether there are repercussions if they speak their mind. And I, again, the reason—I wasn't intending to ask you this, but the reason I do is because of the hearing yesterday in the Ways and Means Committee with Mr. Foster, who is in some amount of trouble because information was withheld from Congress that he had in his possession.

Secretary NORTON. I will note that the budget for the Park Police has increased by 30 percent since 2001.

Senator DORGAN. All right. If you will just submit whatever information you can so that I and my colleagues can try to understand it a bit, and again, I don't have conclusions about it, I just have an interest in trying to understand what's behind the headlines here.

Madam Secretary, let me finally say, this is always, always about choices and the process of economizing in meeting unlimited needs with limited resources, and that's what budgets are is to make the choices, and I find much in your choices with which I agree and some with which I disagree. Tribal colleges, we, in my judgment, and I hope with the cooperation of other members of the subcommittee, I would say the Senator from Montana was very, very important last year in making sure that tribal colleges get adequate funding. I hope we can build back some of that funding base for tribal colleges and organizations like United Tribes Technical College and Crown Point in New Mexico, which I think are very important to American Indians. Having said that, thank you for appearing today.

Secretary NORTON. Thank you.

Senator BURNS. Senator Bennett.

## BLM LITIGATION COSTS

Senator BENNETT. Thank you very much, Mr. Chairman. Let me go back to the issues I raised in my opening comment. I asked you at a previous hearing if you had a percentage of budget for BLM, in particular asked the same question about Forest Service, which I realize is not under your jurisdiction but which is under this committee. What percentage of the budget has gone for litigation? I've heard that it's as high as 50 percent. I've asked the BLM people in Utah and they indicate maybe not direct litigation costs, but defensive actions to deal with litigation costs, the whole thing comes up to something like 50 percent of the budget.

Do you have any better handle on that than that, or is that just a ballpark number? Is it too difficult to quantify? It's easy to ask

the question. Many times it's difficult to come up with a quantification. Do you have anything on that?

Secretary NORTON. We will provide you with what we can put together. The number is certainly a very high number. We have introduced a new financial accounting system that will let us have a better understanding of how our funds are spent in order to better track things like litigation costs. Certainly in your State of Utah, the litigation costs are extremely high. Virtually everything that is done in that State by the Bureau of Land Management is subject to litigation, and so we do know that a tremendous amount of resource does go for that. We'll be happy to provide you as much of a quantification as we can of that.

There certainly are a lot of things that are hard to quantify because it is doing more paperwork for an environmental impact statement because of fear of litigation than might otherwise be done, and that's a hard amount to quantify.

Senator BENNETT. Yeah, it is difficult, but it is having two effects. One, of course, is the budgetary effect, and it's outrageous that we're spending public money at that level for lawsuits that have no merit whatsoever. They're filed solely for their nuisance purposes because the groups that file them don't want the agency to go ahead with its mission, and so they file a lawsuit, the agency has to respond. I'm told that those that actually go to court, the agency wins well over 90, 95 percent of the time, but the legal fees that go into it, and then, as I say, the defensive activity in the anticipation that there will be a charge, a challenge, that causes unnecessary work to be done so that the record is there so that you can win the litigation is a budgetary burden that we ignore, but it's huge, and the people who bring that burden, who posture themselves as supporters of public lands and supporters of the public at large never are called to account for the impact they have on the taxpayers.

The other side of it, which I get talking to BLM people in my State is not just the cost, but the delay. Every time they want to proceed on some intelligent action of land management, they have to figure into the equation the amount of delay that will be built into it by virtue of the litigation. As I say, they almost always win. It's not a matter of we have to examine this because there's a real challenge. No, there's no real challenge. It's just an attempt to delay things, and in delaying, many times it means the cost goes up eventually or the opportunity to solve the problem passes and the problem becomes far worse than it was at the time the agency decided we'll have to tackle the problem because it goes neglected for 6 months, 9 months, a year or more, and then finally somebody rules the challenge was frivolous, pay all the legal fees, and you go back and the problem is 6 months, 9 months, 12 months worse.

So I'm going to keep on this, because I think it is one of the underreported and underappreciated problems that we have in the political wars that go on over land use, and one side in the political wars has discovered that by abusing the courts, and I think abuse is the right word, rather than using the courts, abusing the courts and abusing the appeals system, they can achieve their goal of frustrating you in your responsibility to manage these lands in a proper way. And we need to quantify it, we need to put a spotlight

on it, and we need to let the taxpayers know, money that could go for tribal colleges, money that could go for park maintenance, money that could go for a whole series of things that everybody wants, is in fact going into frivolous lawsuits and complaints and challenges that simply gum up the works.

So if you could help us quantify that, I'll assure you I'll do what I can to put the spotlight on it if we could get some hard data rather than the gut feeling of the people who are dealing with it. I'm not challenging their gut feeling. I think they're exactly right, but whatever hard data we can get we would appreciate it.

[The information follows:]

#### INFORMATION ON LITIGATION COSTS FOR BLM

The BLM only captures costs specifically attributed to litigation. These include the costs of gathering of information, preparing documents and records, preparing and giving testimony, and working with solicitors and attorneys on specific legal cases. For fiscal year 2004, the BLM has spent approximately \$14.3 million on these activities. This does not include any costs for activities related to the prevention of litigation conducted as part of the day-to-day operation of the BLM, such as complying with the statutes and regulations governing the Bureau.

#### NATURAL GAS RESERVES

Senator BENNETT. Now let's go to the issue of natural gas. As I said, Chairman Greenspan pointed out to us that long term one of our big economic problems is going to be shortage of natural gas. As we face the challenge of increased energy in this country, people say, well, we don't want nuclear plants and we don't want more coal plants. Out in our country they don't want hydro. As a matter of fact, many of these groups want to dismantle the dams that we've got right now that are producing hydro power.

We all want natural gas, and the law of supply and demand is inexorable. I've said it before, I'll say it again. If I could control what we carve on the walls around here in marble, I would have us carve where we see it every day, you cannot repeal the law of supply and demand. We keep trying, but we can't. And the law of supply and demand says, the price of natural gas is going to go up under this increased demand if we don't do something about the supply, and we have a tremendous supply of natural gas on public lands in this country, and we don't seem to be able to get at it in a logical kind of way.

I've had conversations. I will not violate the confidentiality of the conversations because they were one-on-one, but I've had conversations with some of the leading environmentalists in this country who have said to me privately, a natural gas pipeline across public lands is the least intrusive activity we could engage in with respect to those lands and has no environmental impact at all other than the emotional idea that somehow you're violating the land to put a pipeline in it. I don't think the land cares, but there are some people who feel emotional about that.

Can you, probably not here, but again for the record, here if you could but if the record if you can, can you give us some idea of the reserves of natural gas that are on public lands in the United States?

Secretary NORTON. We certainly can do that. We have looked at that. We have basically a few places to look, the Gulf of Mexico off-

shore, the Rocky Mountain States, and Alaska. The natural gas pipeline is obviously a very significant issue and something that would have a tremendous benefit in the long run.

In the short run, there are essentially two things that we have done to try to enhance natural gas supply. One is moving forward with coal bed natural gas in the Rocky Mountain area, and the other is in the offshore area, looking at the existing platforms, existing production areas, but providing some royalty relief for them to drill down deeper.

We recently found that there was about a three times larger supply of natural gas at the deeper geologic layers under the shallow water areas of the Gulf of Mexico than we had previously believed. Through our royalty reduction there, we estimate that we will save consumers about \$500 million over coming years because of that enhanced production. So there are things that we can do. We also recently unjammed a backlog of 1,400 permits for coal bed natural gas in the Powder River Basin.

So we're moving forward but it is a tremendous problem. You're quite right to highlight that. And that is something that the country is really going to have to focus on for the long term. We have enough coal bed gas at that plateau to take care of California's energy needs for 100 years and we can't get at it.

[The information follows:]

#### INFORMATION ON NATURAL GAS RESERVES ON PUBLIC LANDS

In 2003, the Department published a study under the Energy Policy and Conservation Act (EPCA) which described the technically recoverable energy resources in five western basins. These five basins contain the bulk of the natural gas resources, and much of the oil resources, under public ownership in the onshore United States:

- the Paradox-San Juan Basin (Colorado, New Mexico, and Utah)
- the Uinta-Piceance Basin (Colorado and Utah)
- the Greater Green River Basin (Colorado, Utah, and Wyoming)
- the Powder River Basin (Montana and Wyoming), and
- the Montana Thrust Belt (Montana).

The EPCA inventory provides estimates of undiscovered, technically recoverable resources and known reserves of oil and gas beneath the five basins and an inventory of the extent and nature of limitations to their development. The inventory shows:

- total area of Federal lands in the five basins, including split estate: 59.4 million acres;
- total estimated reserves and undiscovered technically recoverable oil: 3.9 billion barrels; and
- total estimated undiscovered technically recoverable natural gas: 138.5 trillion cubic feet.

Senator BENNETT. Just one last comment before I have to leave, again for the record and for any journalists that are here. It's not just a question of the price of natural gas in terms of heating our homes or creating electricity. Natural gas becomes a feed stock for the chemical industry, it becomes important therefore for fertilizers, all kinds of industries depend upon the basis that's available in the—chemical basis that's available in natural gas. It doesn't just all go into electricity in homes. It ripples throughout the entire economy, and again, as Chairman Greenspan has pointed out, it is the one form of fossil fuel energy that we at the moment cannot import. The only way we can get natural gas from outside the country is by pipeline from either Canada or Mexico. We can't get it over the ocean by pipeline.

So we are going to an enormous expense of changing ports around the country to accept liquified natural gas when we have tremendous amounts of natural gas right here in this country that could delay for a generation the necessity of bringing it in in liquified form, which is more expensive and from a terrorist point of view, far more vulnerable, because you build an LNG port and then you bring in a bunch of LNG and a terrorist would very much love to blow that thing up. And so we have to spend the money to build the facility and then we have to spend the money to protect it, and for a fraction of that, we could lower prices, increase security, simply by using the natural gas and coal-based methane gas that we have here in this country, and any statistical ammunition you can provide me in that fight, I'd be very grateful.

Thank you, Mr. Chairman.

#### LITIGATION COSTS

Senator BURNS. Senator Bennett, on these lawsuits and frivolous lawsuits, when we lose it is my understanding that we pay their legal fees?

Secretary NORTON. That is very often the case.

Senator BURNS. And whenever we win, do they pay ours?

Secretary NORTON. Never.

Senator BURNS. We could probably cut out a lot of those lawsuits if they had to pay our legal fees.

Senator BENNETT. That's the British system, and for once, I think the British are right.

#### LANDSAT

Senator BURNS. It's something to look at, because the Forest Service has the same problem. For the record, Madam Secretary, we got questions from Senator Feinstein, who could not be here this morning, and also some questions from Senator Stevens with regard to his Alaska situation up there, and from Senator Daschle on Landsat. Could you bring us up to date on that? Are we still working with that mapping and work that we're doing with the satellites?

Secretary NORTON. Yes.

Senator BURNS. Give us an update on where it is, and if it's working. Also I want to thank Ms. Scarlett and John Tresize for coming. You've got a very able staff, they answer a lot of our questions and take a lot of the load off both of us, welcome this morning along with the Secretary. I forgot to recognize you this morning. Could you bring us up to date on what's happened with Landsat?

Secretary NORTON. Yes. We are still having problems with the degradation of the data coming from the satellite, and so we're looking at ways to see if we can sell that data to somebody that doesn't need quite the level of sophistication on it. We are looking at some reprogramming to determine how we might be able to fill in behind that shortfall, and so we are looking at a variety of options in order to address that shortfall right now.

Senator BURNS. Have you looked at how we might outsource? We have imaging, a couple of organizations in Montana, that do that. Could we outsource to save a little money, and move some of that

into the private sector? Because they could tailor programs as you want them and give you the desired information.

Secretary NORTON. There are some reasons why the data that comes from the Landsat satellite is at a resolution that fits a certain niche of needs and it's not generally available in other ways. We are looking at the long-term implications—at a future satellite—and how that might be structured and what the needs would be for that. That's a big, multi-agency public/private examination of what all of the available options are.

#### WOLF RECOVERY

Senator BURNS. Let's talk about wolves a little bit. That's a pretty good shift. As you know, you revised some of your management practices in three States, Wyoming, Montana, and Idaho and we want to express our appreciation for using 10(j), that section of the Endangered Species Act, that would give more authority to States and especially handling predators. I'd like to see the States assume much more responsibility in managing that animal. Can you tell me the cost of the Wolf Recovery Program to the Federal taxpayer thus far? If you don't have those figures, I would like to have them. And can you give me an overall assessment of the program as it is progressing?

Secretary NORTON. We'll provide that figure for the record. The wolves are thriving. We have substantially more wolves.

[The information follows:]

#### INFORMATION ON THE COST OF THE WOLF RECOVERY PROGRAM

Wolves in the Northern Rocky Mountain states (Idaho, Montana and Wyoming) continue to increase in distribution and numbers, and recovery criteria have been met for removing Northern Rocky Mountain wolves from the Endangered Species list. Estimates of wolf numbers at the end of 2003 were 369 wolves in the Central Idaho Recovery Area, 301 in the Greater Yellowstone Recovery Area, and 92 in the Northwest Montana Recovery Area for a total of 761 wolves. Within state boundaries, there were an estimated 345 wolves in Idaho, 234 in Wyoming and 182 in Montana.

The Department estimates that the total funding from 1973 through 2003 for the Rocky Mountain Wolf Recovery program is approximately \$16,785,000. This includes FWS, NPS and USDA-Wildlife Services funding; as well as funding provided to the States by the FWS. This level of support provides for monitoring, collaborative research, public outreach, livestock depredation mitigation, and other recovery activities.

In fiscal year 2003, FWS funding totaled \$1.567 million, and the NPS provided an estimated \$210,000 for wolf monitoring and research at Yellowstone National Park. In 2004, the Department estimates that the FWS will fund \$2.251 million for wolf recovery. The NPS will maintain a similar level of funding to the 2003 level for Yellowstone National Park.

The USDA-Forest Service may expend some additional funds related to wolves, however the Department is not aware of any significant wolf recovery activities undertaken by the Forest Service.

Senator BURNS. Are they ever.

Secretary NORTON. Not viewed as good news by some people in your State, but there are substantially more wolves than were predicted at the time that reintroduction was proposed. So now we are at the position where biologically they could be taken off of the endangered species list, at least in that area.

We have two things that we need in order to be able to delist them. One is to have the numbers in place so the population is healthy. We have that. The second thing is State programs that

can allow them to assume management of the wolves. Both Montana and Idaho have put together programs that we think are able to accept responsibility for the wolves. Our problem has been the State of Wyoming. We do want to continue working with Wyoming to come up with a program that would be sufficient for wolf management. Unfortunately, we have not been successful so far in that.

Senator BURNS. Well, I know it's expensive and I will tell you this and go on record, we rode two drainages down in the Montana/Idaho area where we share a common boundary, two drainages where we've always had habitat for moose. There was not one calf last year in those two drainages, and a lot of evidence where the wolves have taken those calves. Now rather than fiddle around with some old cranky moose, well, they're hitting the ranchers now. We lost around 1,800 or 1,900 head the other day, down in Ennis, down in Madison County, and now we're going to start lambing one of these days and they go through sheep just like they're killers, and they do it because they like to kill, not because they're hungry. That's the difference.

We've got more mountain lions than we've ever had in the West since I've been out there. Cats kill because they're hungry, they just don't kill just for the sake of killing. And so, there is a tolerance level on wolves. If we can keep the numbers in due bounds, we can have wolves and we can enjoy the rest of the resources that we enjoy around our farms and ranches. But if you get too many of them, well then you have four predators out there called the grizzly bear, the wolf, the coyote, and the cat. It gets pretty expensive as far as trying to run a ranching operation, or do anything else on those lands.

The Wild Horse and Burro program, this is something that Senator Reid of Nevada and I, have been working on for the last couple of years, to get the numbers down. Nevada presents a big problem, and everyone has to understand that if you want this wild horse program, that some of those horses are kept under feed lot conditions and not range conditions. This is costly, from a person that understands feed lots and maintenance of animals.

Horses, by the way, eat 20 hours out of the 24, we've been pretty successful with our small herd in the Pryors, in keeping the numbers down where we can manage them. But if we look at Nevada, they are cutting into permits of people who have paid for permits, and when those horses go through there, and all the grass is gone, that should not be allowed to happen, so we have to figure out some way to keep those numbers in due bound.

We can handle anything if the numbers are right. Yellowstone Park has over 4,000 buffalo right now. Biologically that park cannot carry that many buffalo, and if BLM were asked to supervise the ranges in Yellowstone Park, they would have thrown everybody off the land and they're doing damage that is irreparable for Yellowstone Park.

#### RANGE MONITORING

Range monitoring has been cut back \$1.2 million this year, and this funding is being redirected to the Wild Horse and Burro Program. How are we replacing that money for range monitoring?

Secretary NORTON. If I can defer to Lynn Scarlett on that. I do know we've been trying to put more funding into that, but the Wild Horse and Burro Program has been impacting our ability to do the level of monitoring we'd like to.

Ms. SCARLETT. I believe you must be referring to this year, 2004.

Senator BURNS. I am.

Ms. SCARLETT. Yes, I understand. We recognize the strong need for monitoring of Bureau of Land Management lands and have proposed an increase in 2005. The proposed change this year was to meet an emergency situation relating to the wild horses and burros, but we have planned an increase in monitoring for this budget that we're now considering.

#### INTERNET SHUTDOWN

Senator BURNS. And of course right now we're talking about, the shut down of the Internet, in the minerals management service. What is the chance of getting that back up?

Secretary NORTON. Well, we certainly hope that the court of appeals is going to have our systems permanently back online. We are working to deal with the overall litigation and that is currently in a mediation process with the plaintiffs, but that has been very slow going.

Senator BURNS. Well, we've given you more money to upgrade that.

Secretary NORTON. You certainly have, and we have spent it. I don't have the numbers handy, but it is tens of millions of dollars to enhance our computer security system. We have focused very intensively on protecting the Indian trust data. We've had outside consultants who have come in to look at that and have taken a number of steps to ensure that that is better protected.

But overall in the computer world, we going toward more and more integration of data, more and more shared databases so you can draw on the same information for many uses. As we do more of that, it becomes more difficult to separate out one piece if a court is going to shut it down.

#### HEALTHY FORESTS CONSULTATIONS

Senator BURNS. As you know, last year we got Healthy Forests through. We've been doing a lot of Healthy Forests activities especially in clean-up and after fire salvage, and everything that the Department of the Interior and the Forest Service do they must have some consultation from the U.S. Fish and Wildlife Service. Mr. Williams was in yesterday and we had a very good discussion about the time line of these consultations. It looks like from the time that the request is made with the Fish and Wildlife Service, and them getting their work done and getting back to the Forest Service in order for them to proceed with the sale, or with the salvage clean-up, certainly takes a long time.

In the area of salvage, if you wait too long then the salvage loses its value all at once. Can you give us an idea on what you propose to cut down that time? Is it staffing? Give us some kind of an idea of your assessment about why we can't move those requests along in a timely manner.

Secretary NORTON. We're looking at some things that would make our system more efficient. We are trying to have early coordination with the agencies that are planning actions so that we can decide how to handle that consultation most efficiently. Often times grouping things together so that you consider several similar proposals at the same time helps make that much more efficient.

We are putting together databases so that we've got more information that we can draw on more quickly about the various species. So there are a number of things like that that will help us in streamlining our consultation process.

#### ENDANGERED SPECIES LISTINGS

Senator BURNS. We had quite a conversation on the Endangered Species Act yesterday. In Montana, we do not have a shortage of prairie dogs, we do not have a shortage of sage grouse, and if some of these species are considered for listing as threatened or on the endangered list—that goes nationwide and it hurts all of us. So I hope there's a way to work around an area that does not have a shortage, and that does a good job in managing their wildlife and habitat, and can be rewarded by being left out of the Endangered Species Act when we start talking about recovery.

#### TRIBAL DETENTION CENTER

I've got several other questions that have to do with what Senator Dorgan was talking about and the tribally-owned colleges. And because that happens to be one of my areas that I have a great deal of interest in, the detention center funding as well. We have a situation in Montana where we have a privately owned detention center that's located near a couple of reservations, which could be used to move some people closer to home. We'll talk to you about that at another time.

#### TRIBAL SCHOOL CONSTRUCTION

School construction. I've still got schools on reservations that need to be torn down and rebuilt. I can think of three off the top of my head, and you've cut some funding in there. We want to work with you on that because we do have about a \$66 million backlog right now on construction across this country and we would like to talk to you about that line item as well.

With that, it looks like I'm the only dog left at the hanging. So if you would be amenable to those questions and as we work our way through these line items we'll be in consultation with you and John and Lynn. We appreciate you coming this morning and thank you very much. We'll leave the record open, and you might want to respond to those questions from others Senators and to the committee. Thank you.

#### PREPARED STATEMENT RECEIVED

We have received the statement of Senator Thad Cochran. The statement will be made part of the hearing record.

[The statement follows:]

## PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to welcome Secretary Norton to this hearing on the Department of the Interior's budget request for fiscal year 2005.

I am glad to see that funding is requested in the budget for research which is conducted by Mississippi State University on invasive species. Your statement about the importance of this research is very encouraging.

Another project that is very important to me is the Shiloh National Military Park. The National Park Service is doing an excellent job, in my opinion, to expand the Park to include the Corinth Battlefields in Mississippi as a unit of the Shiloh Park. The construction of an interpretive center will be completed this summer, and I am sure it will add to the understanding of this important part of American history.

In the town of Corinth much of the original archeology of the Civil War era is in pristine condition because so much of the area has been protected and maintained by volunteers. Corinth serves as a unique treasure of civil war history that is enhanced by several parcels of land outside the current boundary of the park. These are significant educational resources for visitors. I urge you to consider visiting Corinth and working with us to incorporate the battlegrounds in this area into the Corinth unit of the Shiloh National Military Park.

I am also interested in your assessment of the study which the National Park Service has undertaken on the organization of the Natchez Trace Parkway. I am submitting questions to you for the record of this hearing on that subject and on the Corinth Battlefields' situation.

Thank you for your outstanding service as Secretary of the Interior.

## ADDITIONAL COMMITTEE QUESTIONS

Senator BURNS. There will be some additional questions which will be submitted for your response in the record.

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

## QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

## WOLVES

*Question.* As you know, the reintroduction of wolves to Montana, Idaho, and Wyoming has been an expensive venture for Montana's ranchers, hunters, and sportsmen. With that in mind, I would like to express my appreciation for the revised 10(j) rules giving ranchers and the states more authority and would like to see the Department continue this direction. I'd like to see states assume even more management responsibility, but am concerned that the in the current fiscal situation Montana would be unable to bear this burden.

Can you tell me the cost of the wolf recovery program to the federal taxpayer? Can you provide detailed figures for the record?

*Answer.* Section 18 of the Endangered Species Act of 1973 requires the Secretary of the Interior (working through the Fish and Wildlife Service) to annually report certain expenditures for the conservation of threatened and endangered species. The first year for the expenditures report was for 1989; the most recent report to Congress included expenditures reports for fiscal year 1998, fiscal year 1999, and fiscal year 2000. The FWS has received 2001 and 2002 data from the reporting agencies, but the expenditures report has not yet been completed.

The Service estimates the total expenditures from 1989–2002 for gray wolves to be \$43,037,535. Of this, the non-FWS Federal agencies' expenditures for the gray wolf came to \$25,287,278. The data reflect non-FWS Federal agency expenditures in the lower 48 states (all gray wolf recovery efforts, including the Mexican and the Minnesota/Wisconsin gray wolf). FWS' expenditures over 1989–2002 for gray wolves came to \$17,750,257 (see Table 1 entitled Federal Agency Expenditures for Grey Wolves, fiscal year 1989–2002).

The expenditures report includes those expenditures "reasonably identifiable" to a specific listed species. These reports capture not only recovery costs, but also include costs associated with salaries, listing, consultation, law enforcement, monitoring and surveys attributable to a listed species. The total also includes land acquisition costs "reasonably identifiable" to the gray wolf.

Information was reported to the Fish and Wildlife Service by all Federal agencies with endangered and threatened species expenditures; however, the Service cannot independently verify the information.

Total expenditures by State from fiscal year 1996 through fiscal year 2002 have ranged from \$213,000 in fiscal year 1996 to a preliminary total of \$604,700 for fiscal year 2002. For States that would assume management of wolves in the Eastern and Western Gray Wolf DPSs upon delisting, State expenditure by State range from a preliminary estimate of \$1,600 by Idaho in fiscal year 2002 to \$100,000 by Michigan in fiscal year 2000, 2001 and 2002 (see tables below).

In fiscal year 2003, total FWS funding for wolf recovery in the Western Gray Wolf DPS increased dramatically to \$1,567,000 due a significant increase in pass-through funding appropriated to the Service that was used to fund assistance to the States of Idaho, Montana and Wyoming for wolf planning; monitoring, management, control, and information programs; and \$100,000 to USDA Wildlife Services for their control programs. We understand that in recent requests to Congress for financial assistance, States have requested \$800,000–\$900,000 per State to manage the Western Gray Wolf DPS after it is delisted.

FWS funding for wolf recovery in the Eastern Gray Wolf DPS in fiscal year 2003 was significantly less than the Western Gray Wolf DPS. Approximately \$117,000 has been provided from base funding for wolf management with another \$420,000 in grant funding provided to Minnesota, Wisconsin and Michigan for wolf recovery. In fiscal year 2003, the FWS provided \$805,000 in base funding for Mexican wolf recovery. The State of Wisconsin has asked that the Service continue to commit funding at least 50 percent of the costs for monitoring state wolf populations for the first five years after delisting. We are not aware of any requests from the States of Minnesota or Michigan for financial assistance to manage the Eastern Gray Wolf DPS after delisting.

**FEDERAL AGENCY EXPENDITURES FOR GRAY WOLVES, FISCAL YEARS 1999-2002** <sup>1</sup>  
 [Totals includes land acquisition expenditures, and reported in actual dollars]

| Agency                                                | 1989      | 1990      | 1991      | 1992      | 1993      | 1994      | 1995      | 1996      | 1997      | 1998      | 1999      | 2000      | 1 2001    | 1 2002    | TOTALS     |
|-------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>Fish and Wildlife Service</b> .....                | 654,900   | 802,000   | 1,513,300 | 1,133,400 | 1,120,000 | 1,661,200 | 1,723,100 | 1,276,600 | 1,501,470 | 2,232,500 | 959,750   | 2,052,500 | 560,637   | 558,900   | 17,750,257 |
| <b>Other Agencies:</b>                                |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Animal and Plant Health Inspection Service .....      | 132,967   | 11,247    | 229,300   | 252,000   | 228,356   | 268,860   | 297,790   | 326,329   | 338,748   | 401,362   | 269,421   | 645,404   | 737,874   | 918,075   | 5,057,733  |
| Forest Service .....                                  | 872,200   | 697,300   | 633,100   | 663,970   | 2,543,500 | 650,860   | 550,700   | 426,800   | 694,300   | 386,964   | 378,000   | 240,000   | 846,000   | 152,378   | 9,736,072  |
| Natural Resources Conservation Service .....          |           |           |           |           |           |           |           | 2,800     | 3,300     | 700       | 300       | 700       |           |           | 7,800      |
| National Oceanic and Atmospheric Administration ..... |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Air Force .....                                       |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Army .....                                            |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Defense Logistics Agency .....                        |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Marine Corps .....                                    |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Navy .....                                            |           |           |           |           |           |           |           |           |           | 8,000     |           |           |           |           | 8,000      |
| Army Corps of Engineers .....                         | 500       | 500       | 1,700     | 2,600     | 2,700     | 600       | 3,200     |           |           |           | 2,500     | 2,500     | 7,250     | 8,950     | 33,000     |
| DOD .....                                             | 5,000     | 5,000     |           |           | 6,300     | 4,000     |           | 12,800    | 21,000    |           |           |           |           |           | 49,100     |
| Bonneville Power Administration .....                 |           |           |           | 4,961     | 5,838     | 8,169     | 17,350    | 3,683     | 3,450     | 2,010     |           |           | 1,400     | 5,000     | 51,861     |
| Federal Energy Regulatory Commission .....            |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Nuclear Regulatory Commission .....                   |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Coast Guard .....                                     |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Customs Service .....                                 |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Bureau of Indian Affairs .....                        | 280       |           |           | 500       | 12,000    | 11,500    | 31,000    | 93,000    | 75,000    | 22,600    | 14,000    | 2,000     | 1,011     | 8,011     | 270,902    |
| Bureau of Land Management .....                       | 9,500     | 7,900     |           | 27,800    | 24,000    | 29,700    | 16,000    | 28,000    | 32,000    | 15,500    | 25,000    | 13,000    | 23,600    | 19,200    | 271,200    |
| Bureau of Reclamation .....                           | 3,750     |           |           |           |           |           |           |           |           |           |           |           |           |           | 3,750      |
| National Park Service .....                           | 496,300   | 651,400   |           |           | 229,900   | 418,000   | 353,400   | 324,600   | 280,500   | 799,195   | 749,296   | 792,785   | 772,400   | 743,875   | 6,611,651  |
| Office of Surface Mining .....                        |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| U.S. Geological Survey .....                          |           |           |           |           |           |           |           | 206,000   | 190,800   | 219,000   | 292,500   | 328,400   | 371,000   | 374,500   | 1,982,200  |
| Federal Aviation Administration .....                 |           |           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Federal Highway Administration .....                  |           |           |           | 41,009    | 83,400    | 4,000     | 109,400   | 60,000    | 21,000    | 14,900    | 23,000    |           | 26,000    | 25,000    | 407,709    |
| Environmental Protection Agency .....                 |           |           |           |           |           |           |           |           |           |           |           | 1,500     |           |           | 1,500      |
| Smithsonian Institution .....                         |           |           |           |           |           |           |           |           |           |           |           |           | 18,000    | 25,000    | 43,000     |
| Tennessee Valley Authority .....                      |           |           | 25,000    |           |           |           |           |           |           |           |           |           |           |           | 25,000     |
| NBS .....                                             |           |           |           |           | 390,000   | 245,000   |           |           |           |           |           |           |           |           | 635,000    |
| Subtotal, Other Agencies .....                        | 1,514,717 | 1,373,627 | 889,100   | 992,840   | 3,525,994 | 1,640,689 | 1,378,840 | 1,484,012 | 1,660,598 | 1,885,231 | 1,770,017 | 2,047,089 | 2,840,535 | 2,283,989 | 25,287,278 |
| <b>TOTAL All Federal Agencies</b> .....               | 2,169,617 | 2,175,627 | 2,402,400 | 2,126,240 | 4,645,994 | 3,301,889 | 3,101,940 | 2,760,612 | 3,162,068 | 4,117,731 | 2,729,767 | 4,099,589 | 3,401,172 | 2,842,889 | 43,037,535 |

<sup>1</sup> Preliminary data; report is currently under development.

TOTAL STATE EXPENDITURES FOR GRAY WOLVES <sup>1</sup> FISCAL YEAR 1996–2002

[Actual dollars]

| Fiscal year             | General expenditures | Land expenditures | Total expenditures |
|-------------------------|----------------------|-------------------|--------------------|
| 1996 .....              | 179,500              | 34,000            | 213,500            |
| 1997 .....              | 437,781              | .....             | 437,781            |
| 1998 .....              | 336,519              | .....             | 336,519            |
| 1999 .....              | 364,680              | .....             | 364,680            |
| 2000 .....              | 253,470              | 380,800           | 634,270            |
| 2001 <sup>2</sup> ..... | 299,500              | 394,400           | 693,900            |
| 2002 <sup>2</sup> ..... | 341,800              | 262,900           | 604,700            |

<sup>1</sup> As report through the International Association of Fish and Wildlife Agencies (IAFWA) for the annual report to Congress: Federal and State Endangered and Threatened Species Expenditures.

<sup>2</sup> Preliminary data; report is currently under development.

SELECTED STATE GENERAL EXPENDITURES FOR GRAY WOLVES <sup>1</sup> FISCAL YEAR 1999–2002 <sup>2</sup>

[Actual dollars]

| State           | Fiscal year |         |         |         |
|-----------------|-------------|---------|---------|---------|
|                 | 1999        | 2000    | 2001    | 2002    |
| Wyoming .....   | 22,259      | 8,340   | 5,600   | 27,500  |
| Montana .....   | 3,500       | 3,834   | 48,300  | 57,700  |
| Idaho .....     | 7,720       | 7,298   | 1,900   | 1,600   |
| Minnesota ..... | 49,200      | 18,000  | 18,700  | 2,100   |
| Wisconsin ..... | 40,500      | 43,000  | 43,000  | 54,500  |
| Michigan .....  | 18,000      | 100,000 | 100,000 | 100,000 |
| SUBTOTAL .....  | 141,179     | 180,472 | 217,500 | 243,400 |

<sup>1</sup> As report through the International Association of Fish and Wildlife Agencies (IAFWA) for the annual report to Congress: Federal and State Endangered and Threatened Species Expenditures.

<sup>2</sup> Data reported for the States prior to fiscal year 1999 was reported by species only, not by state and species. Fiscal year 2001 & fiscal year 2002 data is preliminary; report is currently under development.

**Question.** If we were to transfer management responsibility to the states, will that cost remain steady? And how will States finance that management?

**Answer.** If we were to transfer management responsibilities to the states while the wolf is still listed, the Service anticipates providing the States with funding as provided to the Service for wolf recovery. States may also consider applying for Service grant funding (i.e., State Wildlife Grants) to support their wolf management programs. Upon delisting, the States may continue to be eligible for funding through Service grant programs as well as possibly other appropriate Federal programs. We are currently working with the States to explore these options.

## BLM—WILD HORSE AND BURRO PROGRAM

**Question.** Madam Secretary, I am deeply disturbed with the Wild Horse and Burro Program. Congress has offered to help restructure the program to bring costs back in line, but there seems to be a lack of desire within the Department to institute any meaningful reform. As a result, we have refused to add additional resources over the \$30 million the program receives annually. But rather than offer any meaningful reform, the BLM budget proposes a massive \$10.5 million increase for Wild Horses and Burros, and pays for it by cutting other functions like oil and gas, recreation and range.

Why are the BLM's successful functions being taxed and scaled back due to the Department's failure to rein in the abysmal performance of the Wild Horse and Burro program?

**Answer.** The additional costs for the Wild Horse and Burro Program were spread across many programs in the Management of Lands and Resources account as these programs will realize the benefits of improved rangeland health conditions by the achievement and maintenance of appropriate management levels of wild horses and burros.

**Question.** What substantial changes have been made to the program to get it back on track? Can you offer us any other options?

**Answer.** Two fundamentals have guided BLM's management since the passage of the Wild Free-Roaming Horses and Burros Act: (1) determining appropriate man-

agement levels of wild horses and burros on public lands and (2) removing excess animals to achieve that appropriate management level.

The task of setting appropriate management levels has involved a high degree of controversy, including numerous protests, appeals and litigation. At this point BLM has established the appropriate management levels in 164 out of 206 herd management areas and has plans in place to complete the task in fiscal year 2005.

As a result of funding received through congressional appropriations and reprogrammings from fiscal year 2000 to fiscal year 2003, the BLM has made significant progress in achieving appropriate levels. The BLM has removed a total of 44,018 excess animals through adoption of 27,743 animals and placement of 16,270 animals in contracted holding facilities since fiscal year 2000. The number of animals in long-term holding facilities has risen from 1,700 in 2001 to 14,000 in 2004.

The results of this effort have left a population of 36,000 wild horses and burros currently on public lands. Populations have not been this low since the 1970's, however the current target appropriate management level is 26,433. The BLM is now in a position where the increased funding proposed in its 2004 WH&B reprogramming and 2005 budget request would enable the bureau to achieve appropriate management levels on the public land by 2006.

*Question.* Can you testify that program managers have overturned every stone and looked at all options to reduce costs?

*Answer.* The large scale removal and placement efforts described in the previous answer have been costly, and costs will continue until the large numbers of animals now in long-term holding facilities reach the end of their natural lives. Holding unadoptable horses has been the greatest challenge of the wild horse and burro program since its beginning. This problem alone has been the primary cause for the start and stop history of the program, whereby BLM has come close on occasions to reaching AML by removing animals from the range, only to have the corresponding increase in costs to deal with the excess animals force BLM to divert funds away from gathers, removals, and adoptions, thus leading to another spike in the WH&B population on the range. BLM has by law only two ways to deal with horses removed from the public lands: adoption, and long-term holding.

Progress in the program to date has also been the result of improved management efficiencies in the following areas: the placement of excess animals in contracted pasture has resulted in a much lower cost per animal than the previous method of storage in feedlot situations; the removal of excess animals has been refined, resulting in significant cost savings; larger regional and national level contracting efforts have provided additional savings; and BLM has also implemented policies for selective removal to minimize the number of animals going in to long-term holding pastures.

*Question.* Can you tell us that no other option exists except slowing key BLM functions to increase funding for a failing program?

*Answer.* As explained in the April 2004 report to Congress: "Reaching Appropriate Management Levels in Wild Horse and Burro Management," increasing funding for the program to allow BLM to reach AML levels as quickly as possible by accelerating the removal of excess animals from the range is the most cost-effective means for addressing the WH&B problem. Upon achievement of AML's, the program cost to the BLM will begin to decrease. Total program costs will then remain constant, but, in the long-term, will start to decrease again as natural mortality occurs in long-term holding facilities. The BLM considers the WH&B overpopulation to be a bureau-wide resource management issue, not a singular issue limited to one MLR program, or one or two states. The BLM believes that the benefits that will be attained by achieving AML in WH&B populations are very significant and will support a majority of resource functions managed by the bureau, including rangeland, wildlife, fisheries, endangered species, soil water and air, and recreation resources, to name a few. Given competing priorities, the BLM Management Team and State Directors agreed that the most efficient approach to addressing the WH&B situation was through a permanent base adjustment rather than asking for additional funds.

*Question.* I believe this requires strong Departmental attention. Why weren't the additional costs of this program spread department wide, rather than merely focused on the BLM?

*Answer.* The additional costs for the Wild Horse and Burro Program were spread across many programs within BLM, as these programs will realize the benefits of improved rangeland health conditions by the achievement and maintenance of appropriate management levels of wild horses and burros. These benefits more clearly relate to the management of the public domain (BLM) than to management of other programs under the Secretary's direction.

## BLM—COST RECOVERY AND REDUCTIONS IN OIL AND GAS PROGRAM

*Question.* Madam Secretary, the BLM budget assumes income from a number of user fees. I am most concerned with the \$4 million proposal in the oil and gas management account. As you know, energy concerns continue to remain at the forefront of much of the work here on Capitol Hill.

When will the rule makings be in place for these cost recovery mechanisms and can you provide the subcommittee with additional information as to when the funding will be available to continue work in the oil and gas programs?

*Answer.* BLM plans to publish an energy and minerals cost recovery rule in September 2004 with fee collection under the rule to begin in early fiscal year 2005. Funds will be available to field offices for use immediately after the fee is collected.

*Question.* Can you assure the subcommittee that oil and gas permitting activity will remain at or above the fiscal year 2004 level if we were to adopt the Administration request?

*Answer.* BLM does not expect the level of permitting activity to drop in areas with known potential as a result of the cost recovery proposal contained in its 2005 Budget. Demand for natural gas is growing and the fee increases are small relative to the value of the underlying resource. The proposed fees for document processing comprise a small share of the producers' total cost; therefore, we do not expect the fees to act as a disincentive to exploration and development.

*Question.* The Administration is also proposing cost recovery for hard-rock mining applications. Shouldn't the Department first focus on better management practices and creating a timely permitting system before charging for what is currently a broken process?

*Answer.* The fees collected under this rule are small, relative to the value of the mineral resource, but have the potential to provide BLM with funding in a timely manner, especially in times of rapidly changing demand. The BLM is undertaking initiatives that assure that its energy and minerals permitting is more timely. Please refer to the Federal Register of March 8, 2004 (69 FR 10866). This publication revises the Departmental Manual for actions subject to the National Environmental Policy Act of 1969 (NEPA). The revision streamlines the NEPA process within the Department of the Interior, prevents duplication of studies and efforts, and requires parallel (as opposed to sequential) studies of various issues related to an Environmental Assessment (EA) or Environmental Impact Statement (EIS). These changes will reduce considerably the time necessary to revise and respond to a plan of operations.

The BLM and the DOI do not consider our permitting process to be "broken." However, we recognize that the NEPA process is the single most time consuming event in the permitting process. The completion of base line analysis and findings of the NEPA document, however, provide the guidelines used by management in its permitting process. By reorganizing and streamlining the Department's NEPA process and requirements as referenced above, the industry will begin to experience a considerable reduction in the time it takes for the BLM to reach a decision point on a proposed plan of operations.

However, it is important to keep in mind that hardrock mining operations are very different from other resource extraction activities (such as oil and gas) and, if conducted improperly, can have serious environmental consequences. Plans of operation often require a substantial amount of upfront review to ensure that risks are properly evaluated and the environment and taxpayers are protected from unforeseen costs. Therefore, it is unreasonable to expect that permitting of large-scale operations will ever be a speedy process.

*Question.* Does the Department have a computerized tracking system for various permit types and can you provide the Committee with information illustrating the amount of time that currently elapses between submissions of plans of operations or notices and when the permit is finally approved?

*Answer.* BLM has two database tracking systems (MIS and LR2000) that are used in relation to its 3809 activities. MIS tracks the number of Plans and Notices that are targeted for a given year and at the end of it, compares the planned number with the number of Plans and Notices that were actually completed. LR2000 is designed to track all aspects of a case (Plan or Notice application) from beginning to end or closure of the case. Data regularly entered into these systems allows BLM to track key dates associated with a case. Key dates would include, but are not limited to, the date of receipt of the application, the date of approval of the application, and the date of an inspection. BLM can access the database and specifically request all pending cases as well as dates associated with the initial application.

Under the 3809 regulations, as revised in 2001, Notices are required to provide a financial guarantee for reclamation prior to commencing operations. Based on a

review of LR2000 serial register pages for Notices and Plans of Operation, after the required financial guarantee has been accepted, the amount of elapsed time before BLM issues a notice to proceed ranges from 15 days to 6 months. The revised 3809 regulations also require BLM to respond within 30-days of receipt regarding the completeness of the proposed operations. The required information submitted must be complete in order for BLM to determine that the operation will prevent unnecessary or undue degradation of public lands. Due to the varied complexity of the proposed operations and the level of NEPA analysis required, new plans and/or amendments can range from 3 to 18 months before BLM approves the operation. In some cases it may be in excess of two or more years.

#### BLM—RANGE MONITORING

*Question.* We have heard from many of BLM's managers on the ground, as well as industry, that the Bureau must do a better job of range monitoring. Last year we provided additional resources in both BLM and Forest Service to accomplish this goal. Unfortunately, BLM range has been reduced by \$1.2 million in the request, with most of this funding being redirected to the wild horse and burro program.

Why would the Administration reduce range monitoring that will allow us to target range improvements and shift the funding to other programs offering less potential for improvement on the ground?

*Answer.* In fiscal year 2004, Congress added about \$1.2 million to the BLM range program, directed specifically for on-the-ground monitoring. BLM allocated this funding to on-the-ground data collection that would supplement existing monitoring and assessment work associated with issuing grazing permits. The additional fiscal year 2004 monitoring funds were considered a one-time add-on and were not requested in fiscal year 2005. BLM continues to make monitoring, assessment and evaluation of data a priority where it will fulfill our goal to have all grazing permits fully processed in the year they expire. To accomplish this, BLM has redirected efforts to conduct fewer lower priority tasks such as use supervision visits and compliance checks. Monitoring will be deferred on lower priority areas where permits have already been fully processed or standards of rangeland health are being met. Data collection will be conducted in high priority areas. The Department also believes that providing additional funds to the Wild Horse and Burro program will ultimately help improve range health by removing excess animals from the range.

*Question.* In the absence of sound range management, how do you propose we target improvements and defend potential challenges to BLM's work as a steward of the land?

*Answer.* BLM is committed to resolving the wild horse and burro issue because maintaining populations at Appropriate Management Levels will reduce impacts on rangeland resources. Rangeland monitoring is used to detect change and status of rangeland conditions to ensure achievement of healthy rangelands. Rangeland monitoring studies verify the need to achieve appropriate management levels (AML) of wild horses and burros on public lands. BLM has made substantial progress towards the achievement of AML and is presented with the opportunity to finally achieve those levels by continuing to aggressively pursue the removal of excess wild horses and burros. For that reason, BLM has proposed to redirect funds from other sub-activities such as the range program to reach the goal of appropriate management levels as quickly as possible. This will result in the improvement of healthy rangeland conditions.

#### BLM—HAZARDOUS FUELS WORK AND COST CONTAINMENT

*Question.* I notice the administration request increases wildland fire suppression funding by \$28.6 million over the fiscal year 2004 level. We have had numerous discussions regarding cost containment and have had the National Academy of Public Administration review cost containment options.

Can you outline steps you have implemented or plan to implement to contain the escalating costs of fire suppression operation?

*Answer.* The Department is very interested in containing the costs of emergency responses to wildfires. The Department shares the concerns of this Committee regarding the cost of suppression operations, not only because of our awareness of the limited resources available, but also because of the impact that borrowing for fire suppression has on other DOI programs.

This Department and the U.S. Forest Service have been working together closely for the past year on suppression cost containment. The Wildland Fire Leadership Council, the executive policy-making body for the National Fire Plan, directed that the agencies conduct fire incident management and cost reviews at large fires in 2003. These reviews focused on operational and overhead actions taken on five of

the largest fires and reported that there were common areas of concern. Among their findings was that cost containment guidance was understood and followed by fire managers; extensive use of contract crews and engines may be significant cost driver; incident management team transitions contributed to high costs; resource ordering and availability problems contributed to high costs; and, there was inadequate contracting support and oversight at large fires.

In response to these findings, the fire management agencies have taken several actions. The Federal Fire and Aviation Operations Plan for 2004 requires that incident commanders must suppress wildfires at minimum cost, considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives. This year, additional incident business advisors will be assigned to large fires, oversight of contract resources will be increased, problems in the resource ordering system are being corrected, and the costs of transitioning from one incident management team to another will be reduced.

The section of the Operations Plan that directly addresses cost containment issues is attached.

#### COST CONTAINMENT

Policy: "Fires are suppressed at minimum cost, considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives."

Principle: Agency Administrator oversight and involvement during the decision-making process is critical for containing suppression costs.

Intent: The primary criterion for choosing suppression strategies is to minimize costs without compromising safety. Planned and actual suppression costs must also be commensurate with the values to be protected. They must be included and displayed in the Wildland Fire Situation Analysis (WFSA).

It is inappropriate to expend suppression dollars with the explicit objective of achieving resource benefits even though resource benefits may result in some areas of the fire.

Indirect suppression strategies are viable alternatives in many situations. Prior to selecting such a strategy carefully weigh the implications on safety, cost and escape potential. When fire danger trends are rising, the selection of these strategies must be carefully scrutinized.

Long-duration wildfires where large numbers of firefighting resources are being committed need to be closely evaluated by National Interagency Cost Oversight Teams.

Objective: Expend only those funds required for the safe, cost-effective suppression of the incident.

#### *Direction*

- Agency Administrators are responsible for financial oversight. This responsibility cannot be delegated. See Table 1 following this section for approval thresholds.
- Maintain a minimum of two inter-agency National Interagency Cost Oversight Teams.
- When fire danger trends are rising, the long-term consequences of indirect suppression strategies, including final fire cost, will be considered in the initial action decision.
- Produce WFSA alternatives that display a full range of appropriate management response options. All alternatives must be developed with strong emphasis on cost accountability based on the values to be protected, with due consideration given to a minimum cost alternative.
- A suppression cost objective will be included in the Delegation of Authority to the Incident Commander. Revision or amendment of the WFSA is required if incident cost objectives are exceeded.
- Incident suppression cost objectives will be included as a performance measure in Incident Management Team evaluations.
- An Incident Business Advisor (IBA) must be assigned to any fire with projected suppression costs of more than \$5 million. An IBA is advised for fires with suppression costs of \$1–5 million. If a certified IBA is not available, the approving official will appoint a financial advisor to monitor expenditures. The IBA reports directly to the responsible Agency Administrator.

In October 2003, the Wildland Fire Leadership Council convened a senior level interagency strategic issues panel comprised of State, local, Tribal and Federal representatives, and incident team members. These individuals, who represent a mix of on-the-ground and policy expertise, are examining cost containment issues in a broader, land management-based scope that integrates suppression and vegetation management. The panel's findings will be announced this summer.

The Council has also approved several other changes to the wildland fire management program that will help in controlling costs in the future. First, common fire incident cost codes will be used in all agency financial systems for all fires beginning this year. Being able to accurately report on the accumulated costs of specific fire incidents will improve accountability and give agencies a new tool for identifying major cost drivers. Second, the Council ratified the interagency decision to adopt common budget structures and definitions for budget line items. For the first time, beginning in 2005, costs charged to Suppression, Preparedness, and Burned Area Rehabilitation will mean the same thing for both agencies, resulting in transparent cost accounting.

Later this year, fire management plans for all lands managed by DOI bureaus will be completed. The plans will identify areas and the conditions under which naturally-occurring wildfires will be managed as a least-cost suppression action or a wildland fire use action. Monitoring actions on wildland fires should cost less than active suppression action and may benefit the areas being burned.

The root cause for the catastrophic wildfires we have been experiencing in recent years is the buildup of hazardous fuels that ignite easily and spread with a much higher intensity than in past decades. The accumulation of hazardous fuels resulting from one hundred years of aggressive fire suppression, coupled with 10 years of drought conditions in much of the West, present an ongoing danger to lands and communities and will likely continue to result in a high level of fire activity. This Department has a very active and increasingly successful fuels reduction program. Nevertheless, it will take many years to reduce fuel loads sufficiently to gain some measure of control over the risk of catastrophic wildfires.

*Question.* Additionally, the request increases hazardous fuel funding by \$25 million.

Can you outline what the Department of the Interior has done following the implementation of the Healthy Forests Act to make these dollars go as far as possible?

Answer. The Department is taking several steps to make fuels dollars go farther. For example, the Department has implemented CEQ guidelines streamlining fuels treatment environmental assessments (EA). This will save time and money. The Bureau of Land Management, in particular, is making extensive use of the new categorical exclusion (CX) for certain fuels treatments. Moreover, use of the CX is allowing fuels treatments that otherwise would not have taken place, because of the increased cost and time of conducting the EA compared to that needed to support a CX, to go forward quickly.

In addition, the Wildland Fire Leadership Council has approved moving forward with LANDFIRE, a sophisticated GIS vegetative mapping system that will provide data layers on fuel and condition class. This information will improve the efficiency of selecting and strategically placing fuels treatments to obtain a greater degree of risk reduction.

Further, the Department has increased contracting in the hazardous fuels reduction program, drawing upon the expertise of the private sector and the cooperation of local resources to improve program performance. More than 50 percent of fuels treatment dollars go to contractors. This also stretches the ability of agencies to treat priority acres and expedites the pace at which fuels projects can be conducted compared to if bureaus only utilize in-house staff.

*Question.* Are you increasing the number of forest stewardship projects or the use of categorical exclusions to increase the percentage of these dollars that actually goes for on-the-ground work as opposed to paper work?

Answer. The Bureau of Land Management is making extensive use of the new categorical exclusion (CX) for certain fuels treatments. The use of CXs is expected to increase in fiscal year 2005 as field staffs better understand the authority and processes involved.

The use of stewardship projects is also expected to increase in fiscal year 2005. The Bureau of Land Management expects to award 34 stewardship contracts in fiscal year 2004. In fiscal year 2004 many of the stewardship projects were conversions of existing fuels treatments. In fiscal year 2005 we will be able to design fuels treatment projects as stewardship projects. As field staffs gain experience with the authority and the processes involved they are better able to identify and design fuels treatment projects that will make good stewardship projects. In fiscal year 2006 the Bureau of Land Management expects to award 50 to 60 stewardship contracts.

#### BIA—TRIBALLY CONTROLLED COLLEGES

*Question.* Madam Secretary, you know the Tribally Controlled Community Colleges are a program I believe have been a resounding success in helping our native communities, yet your request reduces their funding by \$5 million.

Considering Tribal Colleges receive much less federal funding per student than other federally funded institutions, how can you justify this decrease?

Answer. Education is one of the highest priorities of the Administration. The President and I remain committed to the President's promise to improve education and "leave no child behind." The 2005 request continues the President's commitment so that Indian children have safe and nurturing places to learn. Funding for elementary and secondary school operations is continued at the 2004 level, nearly 22 percent above the levels provided just eight years ago (1996).

Since 1996, funding for tribally controlled colleges and universities has increased by 58 percent. Just since 2001, we've increased funding for these schools by 14 percent. The 2005 budget maintains funding for tribal colleges at the 2003 enacted level. It includes an increase of \$506,000 for two existing TCUs that recently met the statutory requirements for BIA support. Together with expected funding from the U.S. Department of Education, our budget will provide about \$9,500 per student count.

*Question.* Last year you argued the Tribally Controlled Community Colleges were reduced to support other educational programs in Indian country.

Can you show me where this \$5 million was shifted in the request before us?

Answer. The needs in Indian country are widespread and disparate. Increases for fiscal year 2005 have been requested in the areas of higher priority to Tribes on a nationwide basis. These include law enforcement and public safety, economic development, forestry, and self-determination efforts.

#### BIA—DETENTION CENTER FUNDING

*Question.* I applaud the efforts of the Departments of Justice and Interior to fund a round of 20 new tribal detention facilities. However, it is my understanding that BIA funds have been slow in coming to staff and equip the detention facilities once construction is completed.

Your budget request includes an increase of \$7.8 million to open 8 of the 20 facilities built in cooperation with DOJ. Will this funding level fully meet the need, or will the opening date of some facilities be slowed due to a lack of funds for staffing?

Answer. Including prior year funding and the 2005 President's Budget, all of the 15 detention centers that have already been completed or scheduled to be completed by February 2005 will be fully funded for operations, based on estimates of total identified operating need.

Three detention centers are currently scheduled to be completed at the very end of fiscal year 2005 (September 2005). The President's Budget provides funding for start-up purposes for these three facilities.

#### BIA—CLAIM SETTLEMENTS AND OVERALL FUNDING LEVEL

*Question.* I notice that about half of the reduction to the BIA accounts comes from the Claim Settlement account. It is my understanding that the amount requested fulfills the government's responsibility in fiscal year 2005.

Can you confirm the budget request level fully funds government's responsibility for claims in fiscal year 2005?

Answer. Yes, the budget request level fully funds the government's responsibility to pay Indian land and water rights claims in fiscal year 2005. A number of settlements have ended in recent years, and only a few new ones have been added. The Department does not request funding for a settlement until it is finalized either through legislative or judicial action.

#### BIA—SCHOOL CONSTRUCTION

*Question.* The administration proposes cutting the BIA school construction budget by \$66 million following an unprecedented effort to reduce the backlog.

Can you explain the Department's decision to reduce the school construction account and the impact on this decision now that BIA has released an updated list of schools slated for construction?

Answer. By the time we have completed the work proposed in our 2005 budget, 60 percent of BIA schools will be in good or fair condition. At the beginning of fiscal year 2002, 65 percent of BIA schools were in poor condition.

We do have a \$66 million reduction in the 2005 program. To put this in perspective, however, this is a reduction of about one-fifth. We are still proposing a robust program of \$229 million. As recently as 1999, spending on BIA school backlog needs was only \$60 million a year.

The reason that we are comfortable with the fiscal year 2005 program level is that we currently have 21 replacement schools in the planning and design process or under construction. The 2005 budget will build the remaining five schools on the

current replacement priority list. The budget also provides \$10 million for the tribal school construction demonstration program, which is likely to fund an additional two schools on a cost share basis with Tribes. Funding additional replacement schools in 2005 would get us too far ahead of our ability to prudently manage the construction program.

*Question.* Can you give us an idea of the carryover balances in the school construction account for the past few fiscal years?

Answer. The carryover in fiscal year 2002 was \$101 million, and in fiscal year 2003 \$201 million. The reason for the high carryover amounts is because construction funds are not obligated until planning and design is completed.

#### OFFICE OF THE SPECIAL TRUSTEE—OVERALL FUNDING

*Question.* The ongoing trust management issue and reorganization efforts remain a hot-button issue for many of my constituents. Most tribal organizations are extremely unhappy with the direction of the reorganization. I have numerous questions regarding the implementation of these proposals.

I have been approached with concerns that funding the regional trust officers is a waste of money that is not supported by tribal entities. I have been told there is a serious lack of appraisers and other key support positions for trust management activities on the ground, and a more wise use of funds would be to increase the oversight work directly on trust land.

How do you respond to these criticisms, and will you work with us to ensure that these concerns are addressed?

Answer. The addition of Fiduciary Trust Officers at the local (agency) level and support staff is to provide services to beneficiaries of the trust. OST believes strongly that this is not a waste of money to provide direct service to beneficiaries. No trust management functions currently managed by the BIA are being diminished or eliminated. These beneficiary services (individual and tribal) and improvements made in the delivery of current services will allow Interior to meet the fiduciary responsibilities required by statute and regulation.

The 1994 Trust Reform Act governs the primary duties of the Special Trustee. Other duties have been added to the office of the Special Trustees that primarily revolve around managing the financial activities associated with the trust. The fiscal year 2005 increase in the OST budget is primarily associated with other trust reform activities, such as historical accounting, Indian land consolidation, and litigation support.

Tribal requests for more staff locally for trust management activities is also partly addressed by the addition of Fiduciary Trust Officers who, in addition to the services they provide, will free up the time of current personnel to focus on their current jobs rather than being regularly interrupted to respond to beneficiary inquiries. It is difficult to ascertain the extent of the need for additional personnel such as appraisers until the currently planned additional staff are in place and workforce plans are completed that take into account more streamlined reengineered trust business processes. Another consideration is that the addition of more permanent full-time staff is not always the most effective response when there are options such as contracting for services and using the services of temporary staff when possible, to address temporarily increased or backlogged workload.

In addition, implementation of more streamlined reengineered trust business processes of the “To Be” model will likely mean less workload at the agency level.

*Question.* Moving to land consolidation efforts, we both agree that reducing fractionation of trust lands must be part of effective trust reform. I note the \$53 million increase for land consolidation, but am concerned how this vast increase will be administered.

Related to the question regarding appraisers and other support positions, how will you ensure these funds are wisely spent?

Answer. The BIA through the Indian Land Consolidation Office (ILCO) has developed a strategic plan for the expansion of the Indian Land Consolidation Program (ILCP) on a national level. There are approximately 156 “allotted” reservations throughout the country. The plan identifies methodology’s to be used and strategies to expand the program based on targeting the most highly fractionated reservations first. One goal is to obtain fair market values through reservation-wide appraisals that will enable the ILCP to acquire all available land interests from willing sellers on all reservations in which those interests are located. Additional funds will allow contractors to be hired to provide the necessary valuations. A case management system will automate processes, recording and increase the number of interests acquired. “Youpee” heirs will be identified and title issues resolved. ILCO will continue to provide program guidance and technical assistance as the program expands

to eventually include all allotted reservations. Additional contractors will be hired to assist ILCO with “outreach” marketing, sales, and recording efforts.

*Question.* Can you update us on the legal status of the *Cobell* case?

*Answer.* There are currently four appeals by the government pending in the *Cobell v. Norton* litigation. The first appeal is from the structural injunction issued by the District Court in September 2003. The structural injunction describes in detail what the District Court believes is required by the *American Indian Trust Fund Management Reform Act of 1994*, both by way of historical accounting and by way of trust reform generally. The Court of Appeals has stayed the injunction pending appeal.

The second and third appeals are from preliminary injunctions issued by the District Court with respect to Interior’s use of the Internet. The fourth appeal seeks a writ of mandamus disqualifying Special Master Balaran from further participation in the case because of bias. Mr. Balaran resigned as Special Master on April 5, 2004, rather than face potential disqualification and it remains to be seen whether the appeal will go forward in modified form. In the meantime, plaintiffs continue to seek discovery in the case.

*Question.* What are the prospects of a meaningful mediation process?

*Answer.* The Department is pleased that the parties to the litigation have agreed on a mediation team after months of preliminary discussions that have involved the litigating parties and a bipartisan groups of authorizing committee staffs. The next step in the mediation effort is to work out a retention agreement with the selected team. We continue to support the effort to mediate a resolution to the many issues in *Cobell*.

#### OFFICE OF THE SPECIAL TRUSTEE—SELF GOVERNANCE

*Question.* Last year, we authored Section 139 that allows Self Governance tribes the ability to perform a number of trust duties.

Can you update us on the implementation of Section 139 as a model for tribal participation in trust management?

*Answer.* In accordance with the Section 139, the Special Trustee must conduct reviews to determine the status of the Tribal Trust Program in order to provide for the certification from the Secretary that the tribe is operating trust programs in accordance with and meeting the same fiduciary requirements that the Secretary is required to meet in accordance with the law and the court decisions.

OST review teams have provided preliminary results of those reviews to the four tribes that were part of the demonstration group. Several of the tribes are not currently meeting the requirements and are expected to develop corrective action plans to help them reach the level of performance necessary to be certified as in compliance. OST will continue to work with the tribes to implement this provision.

#### ABANDONED MINE LAND REAUTHORIZATION

*Question.* The authority to collect the tax on coal under the Surface Mining Control and Reclamation Act (SMCRA) expires at the end of this fiscal year. The Administration is proposing to reauthorize this legislation with some significant changes.

Can you outline for the subcommittee the basic changes in existing law proposed by the administration? What is the rationale for these changes?

*Answer.* The 1977 Surface Mining Control and Reclamation Act established the Office of Surface Mining and authorized the office to collect fees to finance reclamation of abandoned mine lands. Section 402(a) of SMCRA establishes a per tonnage fee for mined coal. These fees are placed in the Abandoned Mine Reclamation Fund, and are used to finance reclamation of abandoned mine lands in the United States. Interest accrues on the unused portion of the collected fees and becomes part of the Fund to be used for reclamation. A portion of the interest is transferred to the United Mine Workers of America Combined Benefit Fund in order to help finance health benefits.

Through the AML program, problems at many high-priority sites have been addressed. However, when AML coal user fee collection authority expires in September 2004, approximately \$3 billion in significant health and safety problems will still remain, along with another \$3.6 billion of other high priority problems affecting the general welfare of individuals living in coalfield areas. These are not merely “ugly landscapes” that need to be cleaned up; these are serious health and safety hazards. A recent study conducted by the OSM found that 3.5 million Americans live less than one mile from health and safety hazards created by abandoned coal mines.

There is a fundamental imbalance between the goals established by the 1977 Act and the requirements for allocating funds under the Act. The statutory allocation

formula limits the ability of the AML program to meet its primary objective of abating AML problems on a priority basis. The majority of grant funding, or 71 percent, is distributed to states on the basis of current production. Yet there is no relationship between current production and the magnitude of the AML problem in each State. As a result, some States have completed reclamation on all of the abandoned coal mine sites or are working on low-priority sites, while others are still decades away from completing reclamation of the most critical high-priority sites. Under the current allocation it will take on average 47 years to reclaim all high-priority sites, though in a few States it would take over 100 years.

Interwoven with the allocation issue is the need to address States and Indian Tribes that have been certified as having completed the reclamation of coal mining related AML sites. Unappropriated balances in the AML fund that would be available under the 1977 Act to certified States and Tribes are expected to reach about \$530.0 million by the end of September 2004.

The administration's bill would change the current statutory allocation of fee collection, which is progressively directing funds away from the most serious coal-related problem sites. Under this proposal, all future AML fee collections, plus the existing unappropriated balance in the Rural Abandoned Mineland Program (RAMP) account, would be directed into a new single account. Grants to non-certified states or Tribes (those states that still have coal problems remaining) would be distributed from that single account based upon historic production, which is directly related to the magnitude of the AML problems.

Existing state and tribal share accounts would not receive any additional fees collected after September 30, 2004. The current unappropriated balance in the state and tribal share accounts would be dealt with in one of two ways: (1) Certified states and Tribes would receive the current unappropriated balances in their accounts on an accelerated basis in payments spread over ten years (fiscal year 2005–2014), subject to appropriation. There would be no restrictions on how these monies are spent, apart from a requirement that they be used to address in a timely fashion any newly discovered abandoned coal mines; (2) Non-certified states and Tribes would receive their unappropriated balances in annual grants based upon historic production. If a non-certified state or tribe completes its abandoned coal mine reclamation before exhausting the balance in its state share account, it would receive the remaining balance of state share funds in equal annual payments through fiscal year 2014. Non-certified states and Tribes that exhaust their unappropriated state share balances before completing their abandoned coal mine reclamation would continue to receive annual grants in amounts determined by their historic coal production from the newly-created single account.

The proposal amends SMCRA to remove the existing authorization of expenditures from the AML fund for RAMP under the jurisdiction of the Secretary of Agriculture. No funds have been appropriated for this program, which reclaimed lower priority abandoned mine land (AML) sites, since fiscal year 1995. Elimination of this authorization would facilitate the redirection of AML fund expenditures to high-priority sites. Accumulated unappropriated balances in the RAMP account would be made available for abandoned coal mine reclamation.

The proposal modifies reclamation fee rates in an effort to closely match anticipated appropriations from the fund with anticipated revenues. The proposed changes would maintain the current fee structure while uniformly reducing the fee rates by 20 percent on average (15 percent for the five years beginning with fiscal year 2005, 20 percent for the next five years, and 25 percent for the remaining years through September 30, 2018). Those rates are based on an analysis of coal production trends and the resultant impacts on reclamation fee receipts. The Administration's proposed uniform graduated fee reductions make the program revenue neutral and have the added benefit of resulting in lower costs to consumers who purchase coal-generated electricity. The new expiration date reflects the time required to collect revenues sufficient to reclaim all outstanding currently inventoried coal-related health and safety problem sites. Finally, existing language requiring the Secretary to establish a new fee rate after September 30, 2004, based on CBF transfer requirements would be removed.

The Administration's legislative proposal extends the fee collection authority for 14 years, to 2018. This extension would facilitate the collection of sufficient fees to enable all states and Tribes with high priority mining-related health and safety issues to reclaim those sites in 25 years or less.

The Administration's bill would replace and improve upon the existing provisions in SMCRA regarding the United Mine Workers of America Combined Benefit Fund (CBF) by removing the \$70 million per year cap, and by making interest credited to the account in prior years available. These measures would protect the integrity

of the AML fund while providing additional monies to meet CBF needs for unassigned beneficiaries.

The bill provides that no State or tribe with high-priority problem sites would receive an annual allocation of less than \$2 million. This provision would ensure that States and Tribes with relatively little historic production receive an amount conducive to the operation of a viable reclamation program.

The Administration's bill also provides various other provisions to improve the efficiency and efficacy of the AML program. One such provision authorizes the Secretary to adopt regulations prescribing conditions under which the AML Fund could be used to promote re-mining and thus leverage those funds to achieve more reclamation of abandoned mine lands and waters. Another provision authorizes expenditures for collection and audit of the black lung excise tax. This revision would synchronize collections and allow OSM auditors to conduct audits of black lung excise tax payments at the same time as they audit payment of reclamation fees under SMCRA. This change would promote governmental efficiency, eliminate redundancies, and reduce the reporting and record keeping burden on industry.

The bill also proposes amending the emergency reclamation program for abandoned mine land problems that present a danger too great to delay reclamation until funds are available under the standard grant application and award process. The proposal would revise this section by authorizing the Secretary to adopt regulations requiring States to assume responsibility for the emergency reclamation program. This change would promote efficiency and eliminate a redundancy in that potential emergencies would be investigated only by the State, not by both the OSM and the State, as occurs under the current program.

*Question.* The fiscal year 2005 budget request proposes a \$53 million increase to be refunded from the Abandoned Mine Land fund to states and tribes that have been certified—meaning they have met their obligation to do reclamation work on abandoned coal mining sites.

How many states and tribes would be eligible for this \$53 million annual payment?

*Answer.* Under Sec. 411 of SMCRA, the Governor of a State, or the head of a governing body of an Indian tribe, may certify to the Secretary that reclamation of all the priority coal mining sites has been achieved. Notice of the proposed certification is published in the Federal Register, and the public is provided opportunity to comment. If the Secretary determines that the certification is correct, he or she concurs with the certification. Currently, the States of Louisiana, Montana, Texas, and Wyoming, and the Hopi and Navajo Tribes have certified. The Crow Tribe has determined that it has received adequate funding to complete coal reclamation, and is treated as if it were certified. We estimate that as of September 30, 2004, these seven entities will have accumulated State/Tribal share balances in the AML Fund totaling \$531.7 million. To pay off the balances in 10 years, the Administration proposes to pay 10 percent each year as follows.

#### AML REAUTHORIZATION PROPOSAL

[In millions of dollars]

| Certified State/Tribe | Fiscal year<br>2005 funding |
|-----------------------|-----------------------------|
| Louisiana .....       | 0.1                         |
| Montana .....         | 4.7                         |
| Texas .....           | 2.0                         |
| Wyoming .....         | 41.9                        |
| Crow Tribe .....      | 0.8                         |
| Hopi Tribe .....      | 0.6                         |
| Navajo Tribe .....    | 3.0                         |
| Total .....           | 53.1                        |

*Question.* At the rate of \$53 million per year, how long would it take to refund to these states and tribes the money they are entitled to under the state share?

Are any additional states or tribes expected to become certified over the next few years? If so, would these additional states share in the \$53 million pot of funds?

*Answer.* OSM estimates that all the remaining States will have been paid their state share balance before they finish their coal reclamation work and become certified, therefore they will not be eligible for the payout to certified States and Tribes.

*Question.* I hope to be Chairman for a long time but how can you assure states like Montana that are certified that they will get all their money if it is subject to appropriation every year?

*Answer.* The Administration believes it is important to honor the commitments made to States and Tribes in the original legislation even though the conditions under which those commitments were made have changed dramatically. As OSM developed a reauthorization plan, many changes were examined that would allow OSM to alter the current statutory allocation formula which results in a progressive distribution of resources away from the most serious AML problems and refocus the program toward coal-related problems. The Administration's proposal also reflects the commitment to paying the certified States and Tribes their owed balances. Under the current system all they have is an IOU that is never going to be paid. Moreover, the funds they do receive have rules attached that restrict how they can be spent.

The proposal ends that unfairness and gets additional funds back to the states where it's owed. For example, Montana would receive \$4.7 million every year over the next 10 years. Restrictions on that money would be removed so that the governor, the legislature, and the people of Wyoming—not those in Washington—would decide how to best use the money for the benefit of the people of Wyoming.

The Administration believes the ten-year payout in the President's budget is reasonable and reflects an expedited payment schedule without creating adverse affects on our overall budget.

*Question.* What has been the reaction of the States to your proposal?

*Answer.* The problems posed by mine sites that were either abandoned or inadequately reclaimed prior to the enactment of SMCRA do not lend themselves to easy, overnight solutions. To the contrary, these long-standing health and safety problems require legislation that strikes a balance by providing States and Tribes with the funds needed to complete reclamation, while fulfilling the funding commitments made to states and tribes under SMCRA. This is the inherent tension that currently exists in SMCRA. The Administration believes that its proposal addresses these problems in a manner that is fair to all States and supports the Administration's budget and program priorities. The proposal has received support from many States.

#### ROYALTY-IN-KIND/STRATEGIC PETROLEUM RESERVE

*Question.* Currently, over 80 percent of the royalties from oil production in the Gulf of Mexico is taken "in kind" of which approximately 60 percent goes to fill the Strategic Petroleum Reserve (SPR).

What is the current estimated time frame to fill the SPR?

*Answer.* Assuming continuation of current rates to fill, MMS estimates that the SPR will be filled in July or August 2005.

*Question.* Once the SPR is filled, is it intended to continue to take the bulk of Gulf of Mexico royalty "in kind" rather than "in value"?

*Answer.* Decisions on whether producing properties now committed to the SPR initiative will revert to a cash royalty status after the SPR is filled will be made in the future considering prevailing market conditions and the comparative potential to optimize minerals revenue management under each approach. The MMS continues to believe that selective use of the RIK approach, when economic conditions warrant, can provide substantial benefits to the American taxpayer through potential revenue enhancement and reduction in administrative costs.

*Question.* Since MMS believes taking the royalty "in kind" minimizes questions over how to value oil production, what are the future plans for this program?

*Answer.* The November 2001 Presidential directive on SPR fill only addresses fill to the 700 million barrel capacity. No further decisions have been made regarding the SPR capacity or use. Decisions on whether producing properties now committed to the SPR fill will revert to a cash royalty status after the SPR is filled will be made in the future considering prevailing market conditions and the comparative potential to optimize minerals revenue management under each approach.

#### NATURAL GAS PRODUCTION IN GULF OF MEXICO

*Question.* I am concerned about the lack of domestic production of both oil and natural gas. I see in your budget that while oil production from the Outer Continental Shelf in the Gulf of Mexico has almost doubled since 1990, the production of natural gas has remained flat. As you know, the demand for natural gas continues to grow as more power plants come on line using this form of energy.

Are you looking at options in the Gulf of Mexico to stimulate natural gas production? If so, what are some of these options? Does increased production require that

we put in more money on the federal side to expand leasing, or do we need changes in law, or both?

Answer. The MMS offers multi-tiered royalty relief in the form of royalty suspensions on specified volumes of production to encourage exploration for oil and gas production from the shallow water, deep shelf and the deepwater of the Gulf of Mexico. The shallow water, deep shelf offers the best opportunities to quickly move new natural gas production to markets due to its close proximity to existing production facilities and pipelines on the shelf. Discoveries of natural gas on the shelf can be placed on production and reach peak capacity in less than two years, whereas deepwater discoveries have longer lead times for development and may not reach peak production for five to ten years after discovery.

The MMS royalty suspension volumes discontinue royalty relief if oil and/or gas prices rise above the price threshold. For example, the new deep gas rule for active leases issued prior to 2001 stipulates a gas price threshold of \$9.34 per million BTU in 2004. A variety of other gas and oil price thresholds apply to other components of the MMS royalty relief program. High oil and/or natural gas prices serve as market-based incentives that encourage production, which in turn makes the royalty-relief incentives unnecessary. The price thresholds are increased annually based on calculated rates of inflation. In three of the past four calendar years (2000, 2001, and 2003), the average price of natural gas exceeded the threshold price for royalty relief from deepwater. Since royalties are paid when the average price of oil or gas exceeds the threshold price in any calendar year, deepwater royalty suspensions have applied more to oil production than to gas production in recent years.

In calendar year 2003, the average price of natural gas exceeded the threshold price for royalty relief from the shallow water, deep shelf and deepwater incentives. In order to encourage additional exploration for natural gas in shallow water, MMS has set the threshold price for royalty relief from the deep shelf to \$9.34 per MMBtu as part of the final rule on deep gas royalty relief for existing leases published January 26, 2004. Operators with shallow water leases issued beginning in 2001 have a one-time option to convert their leases to the provisions in the final Deep Gas Rule.

Approximately 70 percent of current gas production comes from the shelf. The estimated future gas production from the shelf at all drilling depths is approximately 40 to 45 percent of the estimated gas production from deepwater, and the shallow water, deep shelf estimated future gas production is only 10 to 20 percent of the estimated gas production from deepwater. Deepwater natural gas production is expected to contribute an increasing share of the total gas production from the Gulf of Mexico, with deepwater gas production surpassing shallow water gas production sometime after 2010. If natural gas prices remain above \$5 per MMBtu for an extended period, there will be no royalty incentive above the prevailing market price to explore as the high price of gas should act as an incentive. The MMS is currently evaluating price thresholds for deepwater leases relative to the high average natural gas prices in recent years.

#### FISH AND WILDLIFE SERVICE CONSULTATION

*Question.* We hear complaints from many agencies about the timeliness of Fish and Wildlife Service consultations required by the Endangered Species Act. These consultations are necessary before much of the on-the-ground work can get done in our forests, refuges, and parks.

Why is the consultation program proposed for a decrease in fiscal year 2005 when it doesn't seem you can get all the work done in a timely manner now?

Answer. The proposed reduction in the fiscal year 2005 consultation program would not affect the resources available to the Service to conduct section 7 consultations with other Federal agencies. Instead, the President's budget eliminates the approximately \$2 million that, in fiscal year 2004 and prior years, has been passed through to local jurisdictions engaged in the NCCP process in southern California. This Federal financial support has been an important component of the collaborative partnership among local, state, and federal governments and the private sector to address the conservation of listed species in southern California, and can continue to be in the future; however, it is more appropriate for these local jurisdictions to seek funds from the Service's HCP Planning Grant program (under Section 6 of the ESA). The HCP Planning Grant program, which was not available when direct funding for NCCP participants was initiated, is designed to support potential permit applicants efforts to develop HCPs.

In addition, the Service has been working on a number of methods to streamline the section 7 consultation process for Federal agencies. These streamlined methods include, most notably, developing programmatic consultations that cover multiple

actions over broad geographic ranges such as forest related activities. Additionally, the Service has concluded an alternative consultation process with the Forest Service and the Bureau of Land Management for certain forest related activities that reduce fuels loading under the National Fire Plan, and has proposed a similar alternative consultation process for the EPA's pesticide registration activities. The Service believes that, by improving efficiencies using these and similar streamlining methods, available resources may be directed to those consultations that are more complex in order to complete them in a more timely manner.

#### INTERNET SHUTDOWN

*Question.* As you know, Judge Lamberth has issued an order shutting down most of the Department's e-mail and internet access. While this shut down will have serious Department-wide impacts, we've heard some very troubling things about the impact on the Minerals Management Service. This is because MMS conducts much of its business with the oil and gas industry and the States over the internet. It is possible that the agency's ability to collect revenues and to disburse funds to the states will be jeopardized.

Can you outline for us what the impacts of the shutdown on MMS will be? Are you looking at ways to minimize these impacts?

*Answer.* The court-ordered shutdown on March 15, 2004 forced most of the Department's computers to be disconnected from the Internet, including e-mail. This shutdown affected most Interior programs. For MMS the lack of Internet access had the potential to cause delays in the distribution of funding to Indian allottees and disrupt the payment of royalties to States and scheduled lease sales. However, the Court of Appeals temporarily put on hold the Court's ruling on March 24.

*Question.* We have provided the Department additional resources to upgrade computer security across the board.

What have you done in the last year to improve the security of trust data? Why have we again run afoul of the Court in this area?

*Answer.* On March 15, 2004 the District Court again ordered Interior to disconnect from the Internet. The stay entered by the Court of Appeals on March 24, 2004, permits some of Interior to use Internet-based tools for a host of important missions (although the Bureau of Indian Affairs, the Office of the Special Trustee for American Indians and the Solicitor's Office generally remain offline). Monthly scanning results have demonstrated the significant reduction in potential risk associated with unauthorized access from the Internet. The Internet is critical to Interior, for it allows us to do everything from accepting national park reservations to providing research tools in Indian schools to disbursing millions of dollars in oil and gas revenue to states, Indian Tribes, and individual Indians.

Despite the claims of the court, Interior continues to make significant progress in improvement to computer security across the Department and especially in regard to trust data. A summary of some recent activities follows:

#### *Computer Security*

Interior continues to make progress in ensuring IT security and, in particular, measures to address the potential risks associated with unauthorized access, from the Internet, to individual Indian trust data (IITD). Some of the most recent noteworthy accomplishments and completions are as follows:

- The Interior CIO attained the Certified Information System Security Professional (CISSP) certification, which brings the total number of Interior employees with a CISSP certificate to fifty-two.
- As of March 31, 2004, Federal Information Security Management Act (FISMA) requirements for annual IT security awareness training for system users had been completed by approximately 21,000 (28.9 percent) employees and contractors.
- During the past year, Interior established a Computer Security Incident Response Capability (CSIRC), which is available 24 hours a day, seven days a week. Recently, Interior's incident response program incorporated a CSIRC web portal to facilitate incident reporting as required by FISMA.
- Interior continued testing its wide area networks (WAN) against an operational security profile based on the "SysAdmin, Audit, Network, Security (SANS)/FBI Top 20" vulnerability list. The scanning process was changed to account for false positives in the reports. Bureaus identify and correct false positives before the final monthly report is produced. In the March 2004 report, there were no high-risk SANS/FBI Top 20 vulnerabilities identified in the perimeter telecommunications equipment exposed to the Internet.
- BLM refined the setting on its virus scanning software to improve detection and trapping of malicious software. New settings in SpamAssassin (BLM's email

- spam blocking tool) blocked thousands of files which may have contained viruses in attachments.
- MMS implemented Microsoft System Update Servers (SUS) and System Management Servers (SMS) to deploy critical security patches to servers and desktops.
- OST hired a permanent IT Security Manager. The IT Security Manager initiated information security assessments of the OST local area network and wide area network (LAN/WAN).

#### *OMB Circular A-130—Certification and Accreditation*

To ensure continued progress in the C&A of Internet IT systems, Interior awarded contracts to 10 vendors to conduct C&A tasks. Most major applications and general support systems have received an Interim Approval to Operate (IATO). Approximately 20 percent of Interior's major applications and general support systems have completed the C&A process, as of March 31, 2004.

In response to OMB guidance, Interior has been engaged in an effort to identify and catalogue its IT systems and applications in preparation for subsequent C&A activities. A subset of Interior's systems and applications involve IITD. More than two thirds of those systems involving IITD are operated by bureaus or offices that have been without Internet connectivity since December 5, 2001, and most of those systems have received an IATO.

The bureaus and offices housing the remaining approximately one third of systems with IITD were evaluated by the Special Master and permitted to reconnect to the Internet. All of these systems have received IATO. Full certification and accreditation work is ongoing for these reconnected systems.

#### *IT Systems Architecture*

The DOI Enterprise Architecture Repository (DEAR) is operational and accessible by Interior bureaus and offices. DEAR contains Interior's official inventory of IT systems. DEAR is being used as a decision support system for Interior's enterprise architecture program by determining opportunities for consolidating redundant systems, improving data sharing between systems and analyzing the underlying infrastructure of Interior's systems to improve interoperability and overall infrastructure management. As the official inventory of Interior's IT systems, DEAR currently tracks the security certification and accreditation status of Interior's systems.

Interior is continuing efforts to implement a newer version of the CGI land title records system. The C&A assessment of the system was completed and the system received a recommendation for certification from independent vendors. The Trust Enterprise Architect and data standardization support contractor continued efforts to develop a data dictionary for trust data elements. The effort includes identifying common data elements to facilitate data exchanges between systems. The contractor mapped more than 5,700 standardized data elements. The Trust Data Dictionary serves as the control for the effort to standardize data elements.

#### *Audit Findings Database*

The audit findings database contains a consolidated list of audit findings and recommendations for the key Interior bureaus and offices involved in individual Indian trust management. The database is being subdivided into two separate databases, one to reflect the key findings and recommendations cited or referenced in the Special Master's November 2001 report and one to capture similar items in other IT reports.

The affected bureaus and offices report that more than 95 percent of the findings and recommendations in both databases have been addressed and resolved. An initial staff review indicates that none of the remaining open items pertain to the potential for unauthorized access from the Internet to IITD.

#### *Preliminary Injunction & Reconnection to the Internet*

On March 15, 2004, the U.S. District Court issued a preliminary injunction that ordered most Interior IT systems to be disconnected from the Internet. On March 24, 2004, the U.S. Court of Appeals for the District of Columbia Circuit granted an administrative stay of the preliminary injunction. On April 7, 2004, the Court of Appeals granted a permanent stay pending appeal of the March 15 preliminary injunction. The Court of Appeals stay permitted Interior to reconnect selected IT systems to the Internet.

Other Interior IT systems, serving BIA, OST, OHA and SOL, have been disconnected from the Internet since December 5, 2001. Continued disconnection from the Internet adversely impacts the operations of each of the affected entities. At the conclusion of this reporting period, these bureaus and offices had not been permitted access to the Internet for well over two years.

Interior has appealed the July 28, 2003, and March 15, 2004, preliminary injunctions. On April 1, 2004, the Court of Appeals consolidated the government appeals. Oral argument is currently scheduled for September 14, 2004.

There are many challenges that must be addressed regarding the integration, performance, funding, security, and data integrity of Interior IT systems. Interior initiated or completed steps to address some of the challenges, however, delays and obstacles listed below still impede progress to achieving Interior's IT management goals:

- Employee fears about becoming personally implicated in the Cobell litigation are undermining creativity and decision-making. This continues to be an impediment within Interior as contempt or other disciplinary actions against individuals working on this issue continue to be sought by plaintiffs.
- Funding availability will continue to dictate the timing of IT-related initiatives. Interior's fiscal year 2004 appropriation will require Interior to manage a variety of IT-related requirements and tradeoffs. The government continually has to evaluate current funding requirements.
- Interior is conducting a business process reengineering effort to standardize and streamline trust business processes. The "As-Is" portion of that process has been completed and the "To-Be" reengineering efforts are underway. IT systems specifications, design and procurement may depend upon the timing and results of the reengineering effort and available funding.
- Several Interior bureaus and offices (BIA, OHA, OST, SOL) have not been permitted, by the Court, to have Internet access since December 5, 2001. Lack of Internet access impedes work processes and the ability to communicate effectively, both internally and externally.
- The additional resources (time, personnel and funding) provided for IT security have limited funding for a wide variety of other IT-related responsibilities, which may adversely impact overall systems performance and reform. Tradeoffs for an increased security posture may include adverse impacts on hiring skilled personnel for other aspects of Interior's IT programs, funding for lifecycle replacement of hardware and software, or the ability to undertake IT-related initiatives.

*Question.* What are some of the other impacts that the internet shutdown will have if it remains in place? When will these impacts start to really be felt?

*Answer.* Impacts would have adverse consequences to many day-to-day Interior activities, personnel, payroll and retirees, and other Federal Agency partners, States and contrary to the Judge's opinion, tribes and individual Indians as well. Examples of some of the impacts include:

- In the MMS, lack of Internet access would result in delays of approximately \$3 million per month being timely distributed to individual Indian allottees. Some potential impacts may occur to individuals as a result of not receiving this income, including the inability to pay for nursing home care, food, clothing, heat, electricity, and medical expenses.
- In OST, lack of Internet access would result in the inability to prudently invest funds due to lack of access to the financial information system for a portfolio of approximately \$3.3 billion in trust funds held for tribes and individual Indians.
- In the MMS, a potential disruption in the scheduled Central Gulf of Mexico Lease Sale 190, expected to generate as much as \$200 million. Revenues are distributed via Internet access to the MRM system. There would be a disruption in making royalty payments to States of \$88 million per month.
- For the National Business Center, the shutdown would have delayed migration of e-Gov payroll clients, including the Department of Transportation, NASA, and the National Science Foundation, which will defer cost savings to the government.
- For the Department's financial management requirements, the shutdown would jeopardize completion of the CFO Act Audits, in accordance with mandatory deadlines, including completion of audit by November 15.
- The shutdown would have impeded electronic commerce business processes and prevent connectivity with trading partners, vendors and clients.
- The shutdown would have impacted agencies that procure services from the Department, including the new Millennium Challenge Corporation and four other agencies. The Millennium Challenge Corporation provides grants to developing countries to promote democracy and combat terrorism.
- The shutdown would prevent the Department from performing acquisition activities for DOI and non-DOI clients including the U.S. Maritime Administration, which has been certified as a national security critical client, the Department of Defense, and the Department of Homeland Security.

*Question.* When do you believe that you will be allowed to reestablish internet access?

Answer. Access to the Internet, except for the Bureau of Indian Affairs, Office of the Solicitor, and Office of Special Trustee was restored on March 24, 2004.

#### HEALTHY FORESTS/NEW ESA CONSULTATION PROCEDURES

*Question.* I was pleased to see this week that you have announced some new procedures designed to speed up the Endangered Species Act consultation process for hazardous fuels reduction projects under the Healthy Forests Act.

Can you explain how these new procedures will work?

Answer. In October 2003, the Fish and Wildlife Service and NOAA developed the guidance document "Alternative Approaches for Streamlining Section 7 Consultation for Hazardous Fuels Treatment." The guidance combines several streamlining techniques that have been tested over the years and encourages early coordination and cooperation among Federal agencies and their partners during the project planning stages.

A major part of this guidance relates to the development and use of design criteria, or "screens," to streamline the consultation process while minimizing the potential for adverse effects to listed species and their habitats at both the landscape and site-specific levels. Use of such design criteria helps to ensure that fire management agencies are aware of the needs of listed species and their habitats during the early phases of planning, allowing them to incorporate these needs into their activities. This can greatly streamline the section 7 consultation process because much of the effects analysis is completed at one time, rather than repeatedly each time a new action, or batch of actions, is proposed.

The FWS and NOAA published a final rule establishing counterpart regulations to streamline consultation on proposed projects that support the National Fire Plan. These counterpart regulations allow the Forest Service, BLM, BIA, and NPS to make "not likely to adversely affect" determinations without concurrence from the FWS or NOAA.

*Question.* When do you expect to have these fully implemented?

Answer. The final rule appeared in the Federal Register on December 8, 2003, and took effect on January 7, 2004. As part of the implementation of the counterpart regulations, the Services finalized Alternative Consultation Agreements with the BLM and the Forest Service on March 3, 2004.

We have completed the Alternative Consultation Agreements with the BLM and Forest Service, and developed the necessary training materials. Once the BLM and the Forest Service have conducted the trainings for their personnel, they will begin using the new authorities conveyed by these regulations.

*Question.* How much more work do you expect to be able to do as a result of these new procedures?

Answer. The counterpart regulations will allow Service biologists to focus efforts on those National Fire Plan activities that are likely to adversely affect listed species or critical habitat and thereby speed the approval process for these projects. The actual number of such projects is determined by the BLM and USFS, so we have no reliable way to address the question of how many additional consultations we will be able to process due to the establishment of the counterpart regulations. However, we do expect that the overall rate of approval for fire plan projects will improve as a result of a faster review schedule for those projects that qualify for review only by BLM/USFS and by providing more focused Service review of those fire plan projects that may adversely affect listed species.

#### OSM—STATE REGULATORY GRANTS

*Question.* As you know, the Office of Surface Mining provides grants to states, on a 50/50 cost share basis, to regulate mining in their states. This is a good deal for the Federal government, since if the states did not regulate surface mining the Federal government would be required to do it and pay 100 percent of these costs. I see that the budget request for this activity is \$57.575 million but that the states asked for \$62 million.

If we don't fund the full amount asked for by the states will it lead to any serious problems such as legal challenges to state programs based on their inability to carry out their regulatory requirements?

Answer. The President's Budget requests a total of \$58 million for State/Tribal regulatory programs. OSM's most relevant requested estimates formulating the fiscal year 2005 proposed budget, provided by the States and Tribes totaled \$62 million. The President's budget provides over 95 percent of the State and Tribal request. The amount requested in the President is a slight increase from fiscal year

2004 and OSM believes that the requested total will be sufficient to assist the States/Tribes.

*Question.* Do you expect that any states will turn the regulatory program back over to the Federal government due to lack of funding?

*Answer.* In a fiscal year 2002 study, the States/Tribes were asked about uncontrollable costs for their regulatory programs. The States/Tribes said that 70 percent of their regulatory program budgets are in salaries and fringe benefits. Other uncontrollable costs would include indirect costs, fuel expenses, office rent, contractual services (including legal costs), vehicle replacement or lease, and equipment replacement. OSM believes the increase would be adequate to cover uncontrollable costs and allow that States to meet their 50 percent share.

#### ENERGY POLICY ACT—MMS

*Question.* The Congress has been debating the Energy Policy Act for some time now. I hope that we can pass a responsible bill in the next few months.

Can you tell us whether there are provisions in the energy bill that will help the Minerals Management Service to enhance domestic production of oil, gas and alternative fuel sources?

*Answer.* The energy bill includes provisions that call for relief or reduction in royalty rates for natural gas produced from deep wells in the shallow waters of the Gulf of Mexico. Recently, Interior finalized a rule very similar to the bill's provisions. This provision will encourage more production of oil and gas. There is also an OCS alternative use provision to the bill, which would provide MMS with the authority to grant easements and rights-of-way for alternate energy-related uses on the OCS; to act as lead agency for coordinating the permitting process with other executive agencies; to monitor and regulate facilities used for alternative energy production and energy support services; and it will allow an oil and gas platform previously permitted under the OCSLA to remain in place after oil and gas activities have eased to allow the use of the platform for other energy and marine-related activities.

*Question.* If an energy bill is not enacted, can any of these initiatives be implemented administratively? If so which ones? Is the Administration moving forward on this front?

*Answer.* There certainly are elements of the energy bill that we can work on administratively. For example, Interior is now working with FERC on administrative reforms to the hydroelectric relicensing process to afford applicants better review of their environmental proposals.

We have also worked extremely hard to diminish the backlog of applications for permits to drill waiting to be processed by BLM. In fact recently the Casper Star Tribune reported that the BLM Buffalo Field Office has unjammed a backlog of 1,400 permits in the Powder River Basin.

The energy bill also includes provisions that call for relief or reduction in royalty rates for natural gas produced from deep wells in the shallow waters of the Gulf of Mexico. Recently, Interior finalized a rule very similar to the bill's provisions.

There are however other provisions of the bill that affect Interior that cannot be accomplished administratively—most notable among them are:

- Allowing environmentally sound development of a very small portion of the ANWR.
- Allowing Indian Tribes to enter into comprehensive energy plans that would allow them to enter into energy development leases and rights-of-way agreement without seeking Secretarial approval on a project-by-project basis.
- The Department's OCS alternate uses proposal which provides authority—
  - to grant easements and rights-of-way for alternate energy-related uses on the OCS.
  - to act as lead agency for coordinating the permitting process with other executive agencies.
  - to monitor and regulate facilities used for alternative energy production and energy support services.
  - to allow an oil and gas platform previously permitted under the OCSLA to remain in place after oil and gas activities have eased to allow the use of the platform for other energy and marine-related activities.
- Permanent authority to use Royalty In Kind revenues to pay the costs for transportation, natural gas processing, and disposal costs for royalty in-kind oil and gas production.

## U.S. GEOLOGICAL SURVEY—LANDSAT FAILURE

*Question.* Last May, the Landsat 7 satellite operated by GS began sending back degraded data. Efforts to repair failed equipment were unsuccessful. Two reprogrammings, one approved this past summer and another anticipated later this year, would divert resources from other GS programs to provide nearly \$8 million to continue current Landsat 7 operations. This is the estimated amount lost in sales revenue since the failure.

Madam Secretary, tell me why we shouldn't pull the plug on Landsat 7, bring the satellite down and save the taxpayers some money? What is the purpose of collecting and archiving defective data? Is this information useful in its current form—particularly since the same data is collected and available from other countries around the world?

*Answer.* Landsat 7 provides a unique set of capabilities unlike other Earth observation systems in orbit. The combination of moderate resolution (30-meter), broad-area coverage, spectral range, and global availability is not duplicated by other existing satellite systems. Although other satellites have been considered as possible substitutes, the costs to purchase the comparative area coverage of a Landsat 7 scene would be much higher. Each satellite system has a different swath width, a different revisit rate and time, and a significantly different resolution. For example, to cover the area of a Landsat 7 scene would require 9 scenes taken from the French SPOT system and 283 scenes from the higher resolution satellites such as IKONOS, making the costs much higher to acquire than the equivalent of Landsat 7 data. Also, it would take several revisits taking weeks to months from any of these systems to acquire the equivalent of a Landsat 7 scene.

It is important to continue to collect and archive Landsat data as it is still useful for many of its originally intended purposes. Landsat 7 imagery assists in decision making for fire management practices, suppression, and remediation measures by land and resource management bureaus. In addition to supporting current fire management practices, the increased coverage provided by Landsat 7 is a critical factor in fire measures. The 8-day coverage cycle provided through the combined data sets of Landsats 5 and 7 provides essential information relative to awareness of land cover and the development of fire fuels, as well as timely information regarding burn severities and extents and recovery rates needed for remediation measures, that would not be sufficient under a 16-day coverage cycle with Landsat 5 alone. Uses of remotely sensed data by the National Park Service, the Bureau of Land Management, the Bureau of Indian Affairs, and the Forest Service include rehabilitation actions and hazardous fuel reduction planning, applicable to both wildfire and prescribed fire, and providing a means for record-keeping and accountability validation required under the National Fire Plan.

In addition to wildland fire needs, Landsat 7 imagery provides information that is vital to Federal activities such as agricultural crop monitoring; coastal erosion detection, monitoring and assessing the impacts of natural disasters; aiding in the management of water, biological, energy, and mineral resources; analyzing the impacts of climatic and other global changes; and support for some national defense needs. Land managers have expressed a strong need to have this information continue to be available. Aside from Interior bureaus, the major users of this data include the Departments of Defense and Agriculture, the Environmental Protection Agency, and the National Oceanic and Atmospheric Administration.

As a result of the scan line corrector malfunction, the USGS has been taking actions to increase the utility of the Landsat 7 data that includes "fixing" the data gaps from the malfunctioning scan line corrector. The USGS held a workshop with Landsat users from the Federal government and academia in October 2003 to identify new products for data acquired since the malfunction. Representatives from the former NASA Landsat 7 Science Team and selected other users identified requirements for new products to assist in filling in the data gaps for customers. Two new products, Anniversary composites and Multi-scene composites will be implemented in response to this. The initial product, the Anniversary composite, is generated by replacing all the missing data in the data gaps of a scan line corrector off data set with information derived from a Landsat image that was acquired prior to the scan line corrector malfunction. This technique results in a composite data product without data gaps, which can be used to meet additional user requirements.

*Question.* Secretary Norton, your Department plans to issue a report at the end of this month—following discussions within the Administration—that will outline how best to ensure Landsat continuity data.

Can you give us a brief summary of the report now? Are there specific recommendations that can be implemented to assure the future development of the Landsat Data Continuity Mission? Does NASA have a timeline for launching the

next satellite, and have the resources been requested to fund it? If not, what happens to the Landsat mission?

Answer. A recent memorandum from the Director of the Office of Science and Technology Policy to agencies stated the following:

“ . . . to maintain Landsat’s legacy of continual, comprehensive coverage of the Earth’s surface, the United States Government will transition the Landsat program from a series of independently planned missions to a sustained operational program and establish a long-term plan for the continuity of Landsat data observations. In particular, the Departments of Defense, the Interior, and Commerce and the National Aeronautics and Space Administration have agreed to take the following actions:

- Transition Landsat measurements to an operational environment, through incorporation of Landsat-type sensors on the National Polar-orbiting Operational Environmental Satellite System (NPOESS) platform, thus ensuring long-term continuity of these high-priority measurements and providing for integrated collection and availability of data from these two critical remote sensing systems;
- Plan to incorporate a Landsat imager on the first NPOESS spacecraft (known as C-1), currently scheduled for launch in late 2009. The specific implementation plan shall be jointly reviewed and approved by the NPOESS Executive Committee and Landsat Program Management; and
- Further assess options to mitigate the risks to data continuity prior to the first NPOESS-Landsat mission, including a bridge’ mission.”

The USGS will work with other DOI bureaus and other agencies to consider options for implementation of the strategies above within available funding.

#### U.S. GEOLOGICAL SURVEY—PROGRAM MISSION

*Question.* Among its responsibilities, USGS is widely regarded as the nation’s lead federal civilian mapping agency. However, an OMB review of the National Map Implementation Plan states that the transition away from the traditional USGS role as the nation’s civilian mapping agency is occurring too slowly. (page 151, GS budget)

Can you please elaborate on this comment? When and how was this core mission of the Survey redefined? Will you explain what transition the GS mapping program is expected to make?

Answer. Land managers, policy- and decision-makers, researchers, and the public depend on a common set of current, accurate, and consistent basic information that describes the Earth’s land surface and its dynamics. Since the establishment of the USGS, the bureau has had the mission responsibility to meet this need. This core mission of the USGS has not been redefined.

What is changing is the way the USGS accomplishes this mission responsibility. In the 20th Century, the USGS fulfilled this mission responsibility through the creation and distribution of 55,000 topographic maps, which provide the only topographic synthesis that was comprehensive, accurate, and consistent across jurisdictions.

In the 21st Century, several factors provide an opportunity for the USGS to accomplish this mission in a new way. These factors include increased demand for more current and more accurate geospatial data; new technologies and lower costs to collect, maintain, and disseminate data; and partnership opportunities with Federal, State, and local agencies and the private sector, which in most cases already collect the geospatial data needed to put together a national map. The USGS is taking advantage of this opportunity by organizing sustainable partnerships to develop, integrate, access, and archive this map information. The USGS will continue to collect basic topographic data and will provide additional data where no other data source exists.

This new approach is based on an increased reliance on partners. Through *The National Map*, the USGS will integrate data on a national scale and make it publicly available to continue to provide current, seamless, and nationally consistent base geospatial data for the Nation.

#### U.S. GEOLOGICAL SURVEY—STATUS OF REPORTS

*Question.* In fiscal year 2003, the Survey was directed in report language to provide the House and Senate committees with two reports. The first was a priority system for expansion of the State cooperative research units funded through the Biological Resources Division. The second was a strategic plan and prioritized vision for expansion of the National Biological Information Infrastructure network. Both

of these programs have strong support in Congress and the reports were intended to guide us in setting future funding priorities.

We are now into the fiscal year 2005 budget cycle and have yet to receive either report. Why? Could you please look into this matter and let us know when the committees can expect the information they requested?

Answer. The USGS has been working closely with constituent groups, partners, and customers to ensure that the strategic plans for these programs appropriately reflect the needs of all parties involved in these activities, as well as the sound science for which the bureau is known. The process of engaging these parties has required more time than was anticipated at the beginning of the plan development. The USGS and the Department are working together to ensure that the reports meet the needs of Congress and will forward the reports soon.

#### NATIONAL PARK FUNDING—PROJECT FUNDING

*Question.* This Committee has devoted a great deal of time and resources to address the backlog of maintenance in our land management agencies, particularly within the National Park System. The President also made a commitment to address the park backlog, and I think has done an admirable job given the budgetary constraints under which we're operating.

Can you update us on where we are in terms of understanding what the backlog is, and what progress we're making in reducing the overall size of the backlog?

Answer. The NPS has completed preliminary condition assessments at all but four of the most asset intensive parks. The assessments for these four parks are scheduled for completion by the end of fiscal year 2004. These preliminary assessments identified apparent deficiencies within the eight standard asset categories, which the NPS has used to develop a preliminary baseline facility condition index (FI) to assist in evaluating the relative condition of NPS assets.

Instead of compiling a list of "backlog" projects, the NPS is now deploying an asset management strategy that seeks to prioritize the most important facility projects on which to spend limited resources. By using the asset priority and facility condition information, as well as considering visitor and employee health and safety requirements, resource protection needs, and visitor service needs, the NPS will be able to manage the asset inventory much more systematically than it ever has in the past. The objective of the NPS asset management program is to measure performance accomplishments and assure that the overall condition of the inventory improves because of funds dedicated to improving assets.

The backlog cannot be stated as a single number since it is not static and is always changing. While the NPS is scheduled to complete the comprehensive condition assessments at all parks by the end of fiscal year 2006, the preliminary estimates associated with the deficiencies identified to date total about \$5.7 billion. Instead of using a backlog to quantify maintenance needs, the condition assessments will define the amount of resources needed to move the overall condition of the NPS asset inventory from its current condition to acceptable condition. This estimate cannot be determined until the comprehensive condition assessments are completed; even then, the backlog will be constantly modified to respond to changes in on-the-ground circumstances.

#### NATIONAL PARK FUNDING—OPERATIONS

*Question.* Once we make the investments to put park resources in good condition, obviously it makes sense to spend the money to keep them that way. Part of this means providing funds for periodic maintenance work, but we also need to make sure the parks have the operational capacity—the people—to either do the work or oversee it. We know that parks are feeling pinched on that front.

On the one hand, I have seen data that shows park operational funding is up substantially over the last 10 years in constant dollars—up per acre, up per park unit, and up per park visit. At the same time, I know parks are considering reduced operating hours for some facilities, reductions in interpretive staff, and other cuts.

How do you reconcile these facts?

Answer. It is true that park operational funding has increased over the last ten years. Counting supplemental appropriations and transfers, the amount enacted for the Operation of the National Park System (ONPS) appropriation has increased from \$1.095 billion in fiscal year 1994 to \$1.610 billion in fiscal year 2004, a net increase of \$515 million. Of this amount, nearly \$439 million was directly provided to parks for operations.

Of the funds directed to park operations, \$135 million was provided for pay and benefit adjustments for park employees. Another \$26 million was provided for the "Ranger Futures", "Temporary Employee Conversation" and other "special pay ini-

tiatives.” A total of \$269 million in increases was provided for specific park base operations. Additionally, \$9 million was provided for “park-related” activities, such as Lewis & Clark Bicentennial and National Capitol Performing Arts.

In addition to park base increases, additional increases were provided for the support of improved park operations. These activities provide significant benefits to the parks. The \$198 million in funding increases included:

- \$70 million to increase the amount of annual funds provided for backlog maintenance projects, the implementation of a condition assessment process and for development of a new maintenance management system;
- \$74 million to improve the basis of scientific and resource information through the Natural Resource Challenge;
- \$16 million was used to enhance partnership efforts such as the Challenge Cost Share Program;
- \$10 million was dedicated to implementation of the Comprehensive Everglades Restoration Plan;
- \$7 million was directed towards cultural resource projects in parks, including collections and curation;
- \$32 million was provided to cover centralized administrative billings that allowed parks to avoid the costs of such items as GSA space rental, unemployment compensation and tort claim payments;
- \$11 million was used for other assorted program changes to assist parks such as structural fire, risk management, natural sounds, the Vanishing Treasures program, training, social science surveys, the Underground Railroad, and the Lewis and Clark Corps of Discovery II;
- \$7 million for central office operations;
- \$21 million in pay and benefit raises for non-park staff; and,
- \$5 million to implement the President’s Management Agenda of management and operational improvements.

The NPS believes it has credibly managed the funding provided. We are also engaged at present in a variety of self-examinations and comprehensive evaluations using new management tools including the Program Assessment Rating Tool (PART), Maintenance Management and Condition Assessments, and Performance Measurement and Strategic Planning to help us make more informed decisions. The amount requested for operations at individual parks is determined through a layered deliberative process over at least a 12-month period, involving the NPS, the Department of the Interior, and the Office of Management and Budget. The budget process always requires tough decisions and choices concerning the prioritization of competing needs to fit available budget allowances.

*Question.* To what degree has pay parity impacted the National Park Service, and the Interior bureaus generally?

*Answer.* The Congressional action of providing civilian pay parity added \$15 million to the planned absorption in the park base.

#### FINANCIAL MANAGEMENT SYSTEM

*Question.* Your budget proposes that we invest \$18 million in a new financial management system for the Department. It seems as if it hasn’t been that long since we paid a substantial amount for the current financial systems.

Given the sometimes spotty track record the Federal government has in major systems acquisitions, how confident are you that this system will ultimately work?

*Answer.* Very confident. The FBMS solution is comprised of commercial off the shelf software that is currently in use elsewhere in the Federal government. The vital core financial component is software that has been tested and met the standards established for federal financial systems by the Joint Financial Management Improvement Program (JFMIP).

*Question.* What procedures have you put in place to ensure that it will?

*Answer.* During the acquisition process, we required the competitors to have passed the 2003 JFMIP test before contract award. We required the competitors to have established software implementation practices in place for themselves and their subcontractors that met at least the requirements of the Software Engineering Institute’s Capability Maturity Model (CMM) Level 2 certification.

We have established a number of review procedures to ensure that the project is managed well and meets its cost, schedule and performance objectives. These include at least quarterly earned value reviews and quality audits. We also plan to contract for Independent Verification and Validation (IV&V) services. We have established a governance process that includes bureau leaders in the project implementation, and a change control process to manage the project’s scope. We have placed considerable emphasis on the change management aspects of the project,

since our market research and lessons shared by other agencies with recent system implementation experiences indicate that helping people transition from the old way to the new way of doing their work is critical to the project's success. We will use the Department's capital planning and investment control (CPIC) process for project reporting and monitoring.

*Question.* What would be the practical effects of continuing to use the current systems for a few more years?

*Answer.* Because we are using a phased approach to the FBMS implementation, we plan to use the current systems in some bureaus for several more years, until the transition is complete. However, we have many immediate and longer term concerns about the current systems. Interior's FFS software version is no longer JFMIP compliant and, along with the Department's acquisition system software, will not be supported by the vendor after September 30, 2004. The current systems are expensive and difficult to operate and secure. They do not share data among systems, requiring extensive data reconciliation and frequent data calls to the bureaus. We cannot resolve the material weakness in property management or completely address concerns raised by the Office of Inspector General related to fleet management and grants management with the current systems. The systems require Herculean efforts to close and balance in order to issue financial statements. As the federal requirements increase from annual to quarterly financial statements, those Herculean efforts must be multiplied. Worse, we are unable to provide consistent, timely, accurate information to managers and oversight organizations. These crises require us to act now to build the foundation for better financial and business management in the future.

#### PARTNERSHIPS

*Question.* Madam Secretary, you have placed a great deal of emphasis on cooperative conservation and on partnerships. While I think this is generally the right philosophy, we have to be careful not to cede too much control over partnership projects—especially those that the Department will ultimately have to operate or manage.

What procedures have you put in place to ensure that the Department maintains control over these ventures?

*Answer.* In regard to the National Park Service, efforts are being taken to improve existing review and approval procedures for partnership construction projects. Already, the Bureau's Director's Order 21 established NPS policy for fundraising and donations, and required that fundraising campaigns with a goal greater than \$1 million must be approved by the Director. Partnership construction projects are reviewed by the Bureau's Development Advisory Board at the conceptual level, in conjunction with requests for fundraising approval, as well as at the thirty percent design stage (similar to NPS line-item construction projects). However, a review of existing NPS partnership projects is demonstrating that weaknesses still exist in the process by which such projects are developed, approved and administered. Therefore, NPS has embarked upon the development of new procedures that will provide the following:

- A clearer delineation of how senior level approval and oversight of projects is administered at varying stages in the project's development.
- Clearer definitions of roles and responsibilities of all partners to an agreement.
- Notification to Congress of projects over \$5 million.
- Objective assessment of partner capability to carry out their fund-raising roles.
- Direction concerning the need for Federal design control and approval processes including appropriate sizing and scoping of facilities.
- Validation of assumptions about funding sources and revenue streams (especially any Federal funding commitments).
- Assessment of operational implications of new development and how they are to be addressed.
- Development of a communication plan for determining when a project is publicly announced.
- Clear strategies for the partnership to scale back or terminate if the fundraising effort is not successful.

By these new procedures, NPS would assure that partners are not driving NPS priorities in the development of construction projects and that such projects are not developed outside of the budget process whether or not Federal funding is assumed to be a part of the project. The NPS has also initiated a training program on partnership ventures and is providing additional tools to park personnel such as web site, model contracts, a mentor program, and further policy guidance to assist in developing and administering partnerships.

## PRESERVE AMERICA

*Question.* The budget request includes \$10 million for a new “Preserve America” program to promote heritage tourism. At the same time you propose to virtually eliminate funding for heritage areas authorized by Congress, even as proposals for many new heritage areas are pending in Congress.

Is it your view that the Congressionally authorized heritage areas are not effective in promoting heritage tourism and the “sustainable uses of . . . historic and cultural sites . . .”? Why did you not simply propose a \$10 million increase in the existing Historic Preservation Fund grants-to-states program, and allow the states and tribes to decide where their preservation priorities lie? Why establish yet another program infrastructure?

*Answer.* Preserve America and the National Heritage Areas Program share similar public policy goals as they both support and encourage the recognition, preservation and reuse of historic assets to enhance economic development and community identity. Their principal difference lies in geographic and “political” scale. National Heritage Areas are created by Congress and are, in most cases, quite large in geographic scale—encompassing multiple communities, counties, parishes, political jurisdictions, watersheds or ethological systems. Preserve America Communities are local and self-selecting, and generally a single government unit (towns, small cities, or neighborhoods of larger cities).

Heritage tourism is an important strategic tactic for federally-designated heritage areas. To date, the most effective heritage areas have more than amply shown their capabilities in recognizing the educational and economic potential of heritage tourism. We expect similar success from Preserve America Communities—only on a smaller scale. We do not see their efforts as competition—but rather as complementary.

The reduction in funding for the National Heritage Area Program is not proposed as an offset in support of Preserve America but rather reflects the Administration’s concerns for the need for broad national heritage area program legislation and national performance standards. We must ensure cost-effective accountability for the ever-increasing number of heritage areas and encourage established areas to become self-sufficient. The Department recommends that no new areas be proposed and the priority of the program’s budget be reduced until such time as such legislation is enacted and performance standards established.

## SNOWMOBILES IN YELLOWSTONE

*Question.* Though I disagreed with some of the specifics, the Administration put forward a common-sense plan to regulate snowmobile use in Yellowstone National Park. That plan was the subject of conflicting court rulings all winter, creating a great deal of confusion about whether the Park was “open” at any given time—whether to snowmobiles or visitors in general.

Though I know you can’t predict the outcome of the current legal wrangling, what is the National Park Service prepared to do to get the message out with regard to the Park’s operating regime for next winter?

*Answer.* The National Park Service (NPS) recognizes that this is a difficult time for the gateway communities surrounding Yellowstone and Grand Teton National Parks due to the uncertainties associated with the future of winter use in the parks. The NPS and the Department of the Interior are working closely with Department of Justice to set a course for winter use in Yellowstone and Grand Teton National Parks.

The NPS is working to insure that park visitors have the most current and accurate information available to plan their visits to the park. As we discuss this issue with the public, the media and other officials, the NPS has constantly emphasized two messages:

- Yellowstone and Grand Teton National Parks will be open next winter, and people are encouraged to come and enjoy the park.
- The Greater Yellowstone Area is an excellent winter recreation destination. Snowmobiling, cross-country skiing, downhill skiing, auto touring and snowcoach touring abound in the area.

When the final decision on winter use is made, the NPS will:

- Develop questions and answers for distribution to the public and employees.
- Issue news releases.
- Brief Congressional delegation staff; local and national media; community leaders and businesses; park concessioners; and NPS employees.
- Update the Yellowstone and Grand Teton’s websites, which are valuable resources for winter use information.

- Hold informal public meetings in the surrounding communities to share information on winter use and answer questions.
- Continue to work with the Tourism Divisions of Wyoming, Montana and Idaho on an outreach strategy.

#### NATIONAL PARK SERVICE—SECURITY COSTS

*Question.* The National Park Service has previously provided information to the Committee indicating that the incremental costs of maintaining Code Orange alert status are about \$60,000 per day. This estimate, however, predates some of the security-specific funding increases that have been provided by Congress.

Based on current base funding levels, is the \$60,000 per day figure still accurate? What is your current estimate of incremental costs if we go to Code Orange?

*Answer.* The last Code Orange alert began on December 21, 2003 and ended on January 9, 2004. Based on those costs, the current NPS incremental cost of going from Code Yellow alert to Code Orange is \$55,000 per day. The NPS is learning from experience about moving to Code Orange and is trying to reduce those incremental costs further.

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#### QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Thank you Secretary Norton for appearing before the committee today. I understand that your department is operating under difficult budgetary constraints.

#### BUREAU OF LAND MANAGEMENT

*Question.* In 1958, the State of Alaska was granted over 103 million acres of land under the Alaska Statehood Act. In 1971, Native Alaskans were granted 44 million acres of land under the Alaska Native Claims Settlement Act. 45 years later, the State is still waiting for the transfer of 15 million acres and title to over 60 million additional acres, and Native Alaskans are still waiting for the transfer of over 10 million acres and title to millions more.

To remedy this situation, Senator Lisa Murkowski and myself sponsored S. 1466, the Alaska Land Transfer Acceleration Act to accelerate conveyances to the State of Alaska and Native Corporations, finalize pending native allotments, and complete the University of Alaska's remaining land entitlement by 2009. While these legislative changes are a necessary component, the goal of completing the conveyances by 2009 requires increases in funding.

Given the importance of completing the Alaska conveyance process, why did the Bureau of Land Management decrease funding for this program by over \$8 million?

*Answer.* The BLM fully supports the Alaska Conveyance program and proposes to fund the program in 2005 at the 2004 request level (plus an increase for uncontrollables). The \$8 million increase provided by Congress in 2004 was not sustainable within overall budget constraints. The total BLM operating budget request for 2005, which balances many competing priorities, is only \$8.3 million more than the 2004 enacted level.

*Question.* The Alaska National Interest Lands Conservation Act (ANILCA) directed the Secretary to assess oil, gas, and other mineral potential on public lands in Alaska. As we are all aware, the U.S. is now reliant on foreign sources for 60 percent of our oil and 16 percent of our natural gas. Decreases in supply have brought current energy prices to an all time high which is hindering our economic recovery. Development of our energy and mineral resources is vitally important to increase our domestic energy supplies. Alaska remains the nation's best opportunity for developing these resources.

Why did the Bureau of Land Management decrease funding for the assessment of Alaska's vast natural resources?

*Answer.* The BLM fully supports the assessment of Alaska's vast natural resources, and is requesting the same level of funding for the Alaska Minerals program in fiscal year 2005, \$2.2 million, as was requested in fiscal year 2003 and fiscal year 2004. This funding will provide for on-going Alaska mineral assessment studies, an economic cost factor analysis, expanding public availability to electronic minerals information, and continuing cost-sharing partnerships with United States Geological Survey, the Alaska Division of Geophysical and Geological Surveys, the University of Alaska, and the Alaska Native Claims Settlement Act regional corporations. The fiscal year 2004 Congressional increase was not sustainable within the constraints of the overall budget.

## FISH AND WILDLIFE SERVICE

*Question.* The Endangered Species Act provides broad protections for fish, wildlife and plants that are threatened or endangered. Every year, Congress appropriates hundreds of millions of dollars for that program. One of the most important aspects of the program is the Candidate Conservation component, which focuses on preventing a species from declining and therefore avoids the necessity of listing a species. This is incredibly important to my state of Alaska, where the listing of species and designation of critical habitat has the potential to permanently halt many of our industries.

Given the importance of preventing the decline of species, why was funding eliminated for Sea Otter research in the Fish and Wildlife Service's budget?

*Answer.* The President's budget reflects the Service's considered approach to funding its highest priority items. Sea otter research is a priority of the Service, but it is not as high a priority as are other actions that would be funded under the Service's request.

*Question.* Also, why was funding eliminated for the recovery of the threatened spectacled eider and Steller's eider?

*Answer.* In fiscal year 2004, Congress provided \$889,000 in pass-through funding for the Alaska Sea Life Center to continue a recovery research program for the threatened spectacled eider and Steller's eider. Specifically, these funds were used to identify and implement a recovery research agenda for these species. The Service is currently collaborating with the Sea Life Center as well as the North Slope governments and the State of Alaska. Past funding and effective partnerships make this pass-through unnecessary in fiscal year 2005. These types of activities are generally more appropriately funded through Service (and other) grant programs, which ensure that limited resources are directed to the highest priority activities.

*Question.* I am pleased to see that the Fish and Wildlife Service has increased its budget request in fiscal year 2005 for land exchanges. This is incredibly important in my state. As you know, we have a unique situation where the state, natives and private landowners have inholdings within wildlife refuges. I understand that the agency is currently negotiating with several of these parties to resolve this situation.

What is the current status of these negotiations and when do you expect these exchanges to be completed?

*Answer.* The U.S. Fish and Wildlife Service (Service) and numerous entities in Alaska continue to conduct an active land exchange program. The Service is currently working with Native corporations, private individuals, and the State of Alaska to identify land exchanges, of mutual benefit to all parties, that protect high-quality fish and wildlife habitat within the boundaries of existing National Wildlife Refuges in Alaska. Several of these refuges expect completion of pending exchanges in fiscal years 2004 and 2005. Many proposed exchanges are pending, dependent on the completion of negotiations on other exchanges. The status of specific land exchanges is listed below.

*Current status of specific land exchanges*

*Alaska Maritime NWR/Homer Administrative Site.*—This exchange within the Homer city limits was completed in April 2004. It conveyed ownership of the warehouse being leased by the Refuge as well as adjoining vacant lands to the United States in exchange for prime commercial land along the Sterling Highway that will be used for expansion of the local grocery store.

*Alaska Maritime NWR/Koniag Women's Bay.*—An exchange agreement has been signed by both parties and appraisals are complete. We are awaiting Koniag's identification of lands necessary to equalized values in the exchange. We anticipate this exchange will be completed in fiscal year 2004.

*Alaska Maritime NWR/Newby.*—Appraisals are in the contracting process for this exchange. The Service anticipates completion of this exchange in fiscal year 2005. This exchange will benefit the new Ocean and Islands Visitors Center by acquiring lands adjacent to the Visitors Center property and within the viewshed of the Visitors Center.

*Alaska Maritime NWR/Shumagin Corp.*—No action taken. The Shumagin Corporation has agreed to relinquish a sizable amount of their overselections. When final ANCSA entitlement has been determined, Shumagin has expressed interest in an exchange to consolidate their holdings.

*Alaska Maritime NWR/Sitkinak.*—Final details have been worked out in a Memorandum of Understanding with the State of Alaska. The Service awaits signature on the MOU by the State to proceed with the exchange. This exchange will transfer

about 1,653 acres to the United States and result in the State of Alaska owning all of Sitkinak Island, where cattle are currently being raised.

*Alaska Peninsula NWR/Koniag.*—Awaiting completion of the Koniag Women's Bay exchange prior to initiating exchange involving subsurface acreage for other Koniag lands.

*Kenai NWR/CIRI.*—Preliminary identification of exchange lands has been completed by the Service and CIRI for this exchange. Further site work will be accomplished this summer. Fiscal year 2005 funding will be required to initiate appraisals and secure title evidence/insurance and closing. Wilderness area could potentially be expanded by 3,000 acres if exchange is completed. The exchange would also provide an alternative route for relocation of the Sterling Highway near the confluence of the Kenai and Russian Rivers.

*Kodiak NWR/Koniag.*—On hold pending completion of Koniag Women's Bay exchange.

*Yukon Delta NWR/NIMA Corp.*—Solicitation for bids for contract appraisals has been initiated. A Memorandum of Understanding to complete the exchange has already been signed by NIMA. Fiscal year 2005 funding will be required to complete exchange. The equal value exchange will result in the acquisition of about 37,000 acres by the United States. This exchange will facilitate consolidation of NIMA Corporation lands on Nunivak Island and Refuge lands on the Yukon Delta.

*Yukon Flats NWR/Beaver.*—On hold pending the completion of negotiations with Doyon.

*Yukon Flats/Doyon.*—Negotiations are proceeding with this proposed exchange. Doyon Limited wants to acquire about 127,000 acres of refuge land that may be valuable for oil and gas development. In return, the United States would receive high value wildlife habitat lands. Only a few outstanding issues remain, and the parties continue talks to identify mutually beneficial terms leading to an exchange agreement. Legislation will be necessary to provide authority to implement the terms identified in the proposed exchange agreement, when it is completed.

*Yukon Flats NWR/Stevens Village.*—On hold pending the completion of negotiations with Doyon.

*Question.* An ongoing issue in my state relates to access to inholdings in conservation units. ANILCA provides that such access be allowed subject to reasonable regulations. However, in several instances throughout the state, access is being denied or severely restricted.

What is currently being done to ensure that individuals are able to access their homes and villages?

Answer. Reasonable access is available by traditional methods (airplanes, water boats, and snowmobiles, when snow cover is adequate) for travel to and from the homes and villages of the vast majority of inholdings within the boundaries of the National Wildlife Refuges in Alaska. When access is unavailable, the inholder must file a right-of-way application, which is reviewed and processed according to procedures outlined in Title XI of ANILCA. The Service's Alaska Region works directly with inholders throughout the application process to ensure resulting right-of-way permits that meet their access needs and protects the natural values of the National Wildlife Refuge.

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#### QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

*Question.* The Department has recently studied the employees and their duties at the Natchez Trace Parkway. I understand that a decision will soon be reached determining the most efficient way in which the Department believes the Trace should be organized. Either these jobs will be outsourced to a private company or cost-saving measures will result in jeopardizing the jobs of existing employees.

What was the cost to conduct this A-76 study?

Answer. Required under the fiscal year 2004 Appropriations language, the mandatory Report to Congress, defined "incremental cost of conducting a study" as "overtime or back-filling behind employees who were working on the study". To date, there have been no such costs to the Natchez Trace or Southeast Regional offices.

*Question.* What was the cost of consultants fees to assist in the study?

Answer. The cost of consultant fees to assist in the study is \$268,000.

*Question.* Do the total savings reflected in the study exceed the cost of conducting the study?

Answer. By computing the cost of the as-is organization prior to the study and computing the cost of the Most Efficient Organization (MEO) one can make a projection. However, actual savings remain unknown until after the organization has run

through at least one budget year and the costs captured at the end. There will be audits done to ascertain this but these analyses are at least a year away.

*Question.* If the most efficient organization wins the bid, will there be sufficient funds to implement the organizational structure based on the study's guidelines?

*Answer.* Even with the implementation of the Most Efficient Organization's reduction-in-force and additional increases for cost-of-living allowances and inflation, the park is able to maintain its total operations without an increase in base funding.

*Question.* Do these guidelines require additional positions to implement the study and if so, has the Department accounted for those positions in their funding request for the Trace?

*Answer.* No. They don't require additional positions to implement the study.

*Question.* If the Trace wins the bid and there is a requirement to reduce the number of people employed by the Trace, how much will it cost the park service to implement these measures?

*Answer.* If the NATR received the requested buy-out authority, each buy-out would cost up to \$25,000. It is impossible to calculate the cost of any involuntary separation because we can only speculate on how many employees would chose to take the buy-out since the specific buy-out, early-out authority has not been approved for NATR.

*Question.* The Shiloh National Military Park has a unit in Corinth, Mississippi. This battlefield is in a rural part of the state and much of the original archeology of the Civil War era is untouched. Because of its pristine condition and the amount of preserved land which has been maintained by volunteers, it is important that these areas be preserved by the Department of the Interior.

Is the Park Service working toward incorporating the outlying battlegrounds into the existing park boundary?

*Answer.* Currently there is a Special Resource Study/Boundary Adjustment Study taking place. As part of the planning process an Environmental Assessment (EA) has been completed and the public review process is currently taking place. The Study identified 18 non-contiguous sites to comprise the Corinth Unit. The Siege and Battle of Corinth Commission (SBCC) is willing to donate the portions of these tracts which they own to the park. The preferred alternative is to accept the land owned by SBCC as a donation for the Corinth Unit. The NPS would also work to acquire approximately 190 acres at the Battery Robinett and Contraband Campsites in the future as funding becomes available or the lands are offered for donation. The rest of the land would be identified as part of the project, but partners would be enlisted to acquire and manage the land.

*Question.* What are the plans of the Park Service to acquire these lands and maintain them?

*Answer.* The preferred alternative reflects acquiring the Battery Robinett and Contraband Campsite areas as well as those areas to be donated by SBCC. Legislation is needed to authorize the boundaries of the Corinth Unit. The Corinth Unit would continue to be maintained and interpreted by the National Park Service under this alternative.

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#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

##### BIA BUDGET

*Question.* It's been reported in the press that the BIA is slated for a 2.4 percent reduction in the fiscal year 2006 budget, on top of the 2.3 percent reduction in this year's budget request.

Can you comment on the accuracy of that report?

*Answer.* The formulation process for the President's fiscal year 2006 budget is just starting, and no decisions have been made on proposed funding levels.

##### HAZARDOUS FUELS REDUCTION

*Question.* As we all know, Colorado is in a terrible drought. Even the recent rains and snows are not enough to bring the moisture levels up to normal. Last year, over 80 percent of Colorado was classified under the U.S. Drought Monitor as "Extreme" drought or "Exceptional" drought, which is obviously worse.

This drought is going to create a lot of hazardous fuels for future fires. The Forest Service told me in the past that they were delayed in fuels reduction due to "analysis paralysis." I am curious as to your level of progress in fuels reduction and if you have encountered the types of setbacks and delays experienced by the Forest Service.

Answer. We share the concerns for both the potential of wildland fire and our ability to aggressively treat the thousands of acres that need to be treated in Colorado. As you are aware, the drought has also caused a serious outbreak of the IPS Beetle. In Colorado, Department of the Interior bureaus treated 23,791 acres in fiscal year 2003, and have treated 17,066 acres as of June 18, in fiscal year 2004. The majority of these acres have been in the Wildland Urban Interface (WUI) area. The pace of treatment in Colorado has been a function of weather conditions. During these types of drought conditions, the use of prescribed fire, our most efficient tool for acre accomplishments, is very limited, and the emphasis shifts to more expensive, labor intensive mechanical treatments. Efforts are being coordinated with the State, private land owners and the U.S. Forest Service to be as efficient as possible in the execution of these projects.

#### FIRE FIGHTING BUDGETING

*Question.* I've previously spoken with Forest Service Chief Bosworth about the difficulty of planning a budget for wildfires considering the unpredictability of mother nature and unplanned significant deviation from the 10-year fire average.

Do you expect to have similar budgeting issues for fire fighting efforts?

Answer. Budgeting for wildfire suppression is inherently difficult because future levels of fire activity cannot be predicted with precision. However, use of the 10-year suppression cost average has proved to be a reasonable and durable basis for suppression budgeting. Although suppression costs have exceeded the 10 year average in the past several fire seasons, looking back historically there have been many years in which suppression costs were below the average. For example, during the four fire seasons from 1995 to 1998 costs were below the average in three seasons and less than \$2 million above the average in the fourth.

#### PARK SERVICE BACKLOG

*Question.* As you know, addressing the Park Service's maintenance backlog was identified as one of the President's priorities. I couldn't help but notice that the fiscal year 2005 budget for construction and maintenance to address this backlog has remained more or less constant over the past 2 years. One would expect this area to receive more attention. What are some of the reasons your budget has remained at or below past years' levels for addressing this backlog?

Answer. The 2005 request does continue to support the President's commitment to address NPS deferred maintenance. The fiscal year 2005 request addresses NPS deferred maintenance with funding from facility maintenance, construction, the Federal Lands Highway program and a portion of fee demonstration revenues. The fiscal year 2004 funding estimate for these programs is \$1.035 billion, and the fiscal year 2005 request for these programs is an estimated \$1.112 billion. Both estimates are dependent on enactment of the President's proposed funding for the NPS Park Roads and Parkways Program under the Federal Lands Highway Program, currently pending before Congress. By comparison, in fiscal year 2001, the last budget enacted under the previous Administration, the funding levels in the same programs totaled an estimated \$814.6 million.

#### ENDANGERED SPECIES PROGRAM

*Question.* As you know, only six animal species in the United States have ever been recovered by the Endangered Species Program in its 30 year existence and none have been de-listed in the last 2 decades. Unfortunately, more species have been de-listed due to extinction (seven) than recovery (six).

In light of these facts, can you explain why in the fiscal year 2005 budget for Endangered Species listing has increased by more than \$5 million while the budget for recovery has gone down by almost \$10 million? What good does it do to keep listing species if we aren't making good strides to recover species already on the list?

Answer. The Service agrees that recovery of listed species is the fundamental goal of the Act. However, while the Endangered Species program has the lead for that responsibility, all programs in the Service (as well as programs in many other agencies, programs supported by States, local governments, organizations, and individuals) directly or indirectly benefit recovery of listed species. As a result, and unlike the situation for adding species to the Endangered Species list, resources appropriated to the recovery program itself are a relatively small portion of the total resources available to help recover species. We coordinate with other Service programs such as Refuges, Fisheries, Partners for Fish and Wildlife, and Environmental Quality to implement recovery actions for those species found on both private and public land. We also work closely with other Federal agencies, the States, non-governmental organizations, private landowners, and other stakeholders to leverage our

Federal funds to the maximum amount possible to complete specific priority tasks and projects that will help achieve recovery objectives (to downlist or delist the species) outlined in the species' recovery plans. Tools such as Safe Harbor Agreements with non-Federal property owners are a good example of our partnership activities that help recover listed species. We are always looking for opportunities to foster new partnerships and expand ongoing ones.

A significant portion of the proposed decrease in the recovery budget would eliminate line-item funding for specific projects, including the Upper Colorado River Fish Recovery Program. This proposal does not reflect any lack of commitment by the Service to the recovery of the endangered fishes of the upper Colorado River basin; however, we believe that other sources of funding, including funding provided by our project partners, may be available to continue this work, that increases in grants available from various sources may be available to support specific, high-priority actions implemented through this program, and that other high-priority actions will continue to be supported through our Recovery funding. In times of declining overall budgets, specific line item funding reduces our flexibility to dedicate resources to the highest priority, most essential, and most successful conservation efforts. Taken as a whole, the President's budget reflects a continued commitment to the protection and conservation of endangered species through the use of partnerships and collaboration.

In the last two decades (since 1985), a total of 7 animal species in the United States have been delisted because they have been recovered. These species are the Atlantic Coast population (FL, AL) of brown pelicans (1985), the American alligator (1987), the gray whale (1994), the Arctic peregrine falcon (1994), the American peregrine falcon (1999), the Aleutian Canada goose (2001), and the Douglas County population of the Columbia white-tailed deer (2003). In addition, 2 plants in the United States (Robbins cinquefoil and Rydberg milk-vetch) have been recovered.

It's important to note that there are other conservation benefits associated with adding a species to the endangered species list. While it may take years to recover a species, listing can provide immediate protections, increased focus on a species' needs, and often generate resources from other entities such as other Federal agencies, States and local jurisdictions, and the private sector, including non-governmental organizations and private landowners.

#### MIDNIGHT RIDER REMOVED

*Question.* In last year's Interior Appropriations Conference Report, language was inserted that modified the Court-imposed requirement for a historical accounting to commence: this rider suspended the requirement until either (a) Congress amends the 1994 Act, or (b) Dec. 31, 2004.

This year's OST budget request proposes to strike that language from the next bill.

Why does the Department want this language removed?

*Answer.* The fiscal year 2004 Interior Appropriations language was inserted in the conference report of the fiscal year 2004 bill in response to the September 2003 ruling in the *Cobell* case. It places a moratorium on any accounting until Congress addresses the issue of what kind of accounting it expects under the 1994 Act or until December 31, 2004, whichever comes first. The Department is of course hopeful that Congress will address this issue before December 31, 2004. The fiscal year 2005 budget request does not assume this. However, we have not advocated either removing or extending the existing language. It addresses the fiscal year 2004 language by assuming the accounting moratorium will be lifted as of December 31, 2004, and therefore proposes \$80.0 million to fund the Individual Indian Money accounting. That amount is based on the Department's costs to begin, after December 31, 2004, implementation of the Department's proposed historical accounting plan. This amount may be revised depending on how the Court of Appeals for the District of Columbia circuit rules with regard to the structural injunction in the *Cobell* case or on whether Congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in the 2004 Appropriations Act.

#### BIA REORGANIZATION

*Question.* Last year the BIA instituted a sweeping reorganization, primarily to address trust management issues.

Can you give the Committee an estimate of the total cost of this reorganization effort?

*Answer.* Other than the initial costs of consultation with the Tribes, the cost of the reorganization effort is comprised mostly of the cost of hiring additional staff to improve the delivery of trust resources at the field locations. Between fiscal year

2004 and fiscal year 2007, the Bureau plans to hire 124 additional staff, 108 of which will be Deputy Superintendent positions at the local level to oversee daily trust transactions and operations. Once filled, the total cost of these positions, including travel, training and equipment is estimated to be approximately \$16 million per year. The President's fiscal year 2005 budget request includes the first increment of funding for these positions—\$5.5 million to support 25 Deputy Superintendent positions at the local level to oversee daily trust transactions and operations.

*Question.* Is there any fiscal year 2005 funding slated to go toward further reorganization?

*Answer.* The President's fiscal year 2005 budget request includes \$5.5 million to support 25 Deputy Superintendent positions at the local level to oversee daily trust transactions and operations.

#### OFFICE OF TRIBAL CONSULTATION

*Question.* One of the new proposals in this budget request is \$1.1 million to establish a permanent Office of Tribal Consultation within the BIA.

How permanent is this new office, and do you anticipate a similar level of funding every year?

*Answer.* The Office of Tribal Consultation will coordinate all consultation efforts for Indian Affairs. This office will ensure that consultation is occurring where appropriate, and be the contact point for all Indian Affairs efforts on consulting with tribal governments.

*Question.* Executive Order 13175 directs that tribal consultation occur at every level of every Federal agency. Where is the proposed location for this new office in the Departmental organization? Will it be within the BIA, or in the Secretary's office?

*Answer.* The Office of Tribal Consultation will be located in the Office of the Secretary within the Office of the Assistant Secretary—Indian Affairs.

#### INDIAN LAND CONSOLIDATION

*Question.* The Indian Land Consolidation program is to receive a substantial increase in this budget, up to \$75 million.

Is this level of funding substantial enough to begin addressing the problem of fractionated interests?

*Answer.* The Department feels the Indian Land Consolidation Program (ILCP) has been very successful to date, with the level of resources available to the program. The program has purchased 74,626 interests to date (as of March 1, 2004) with an estimated value of \$29.2 million and is the equivalent of 49,155 acres.

Currently approximately 2.3 million individual Indian owner interests are fractionating at a rate of approximately 6 percent per year. At this rate of increase, approximately 140,000 to 160,000 owner interests will need to be purchased yearly to prevent fractionated interests from expanding.

*Question.* How much more would be required?

*Answer.* The fiscal year 2005 budget proposes an unprecedented amount of \$70 million for ILCP, an increase of \$48.3 million. Because of the magnitude of the problem and the necessary legislative reforms that are still required—such as probate reform, partition of land, and the disposition of unclaimed property—it is difficult to predict any estimate of the total amount of funds that will be necessary to complete the consolidation of fractional interest. However, this unprecedented level of funding, when coupled with other meaningful reforms should begin to significantly address this longstanding and growing problem.

*Question.* What is the carryover in this account from previous appropriations?

*Answer.* The unobligated balance carryover in the Indian Land consolidation account as of September 30, 2003 was \$10,578,768.

#### TRIBAL SELF GOVERNANCE

*Question.* I am glad to hear that 40 percent of the BIA operating budget is now going directly to Tribes as Tribal Priority Allocations. But I hope to see that number go even higher.

How many "first-time and expanded" contracting tribes due you anticipate will enter the 638 program this year?

*Answer.* For fiscal year 2005, the Department anticipates that there will be five additional tribes/consortia entering into Self-Governance compacts: however, these tribes have had previous contracting experience with the BIA, and will not increase the amount of programs, services, functions or activities assumed from the BIA.

## TRIBAL SCHOOL CONSTRUCTION

*Question.* Tribal School construction: In 1997 a GAO study estimated a backlog of school construction in the amount of approximately \$700 Million. Your testimony indicates that funding for tribal school construction has been decreased by approximately \$61 million for fiscal year 2005, but does not provide any justification for the decrease.

Does this decrease suggest the backlog has been eliminated, if not, then what is the justification for the decrease?

*Answer.* We have made substantial progress in improving the condition of BIA schools. By the time we have completed the work proposed in our 2005 budget, 60 percent of BIA schools will be in good or fair condition. Three years ago, 65 percent of BIA schools were in poor condition.

We do have a \$66 million reduction in the 2005 program. To put this in perspective, however, this is a reduction of about one-fifth. We are still proposing a robust program of \$226 million. As recently as 1999, spending on BIA school backlog needs was only \$60 million a year.

The reason that we are comfortable with this year's program level is that we currently have 21 replacement schools in the planning and design process or under construction. The 2005 budget will build the remaining five schools on the current replacement priority list. The budget also provides \$10 million for the tribal school construction demonstration program, which is likely to fund an additional two schools on a cost share basis with Tribes. Funding additional replacement schools in 2005 would get us too far ahead of our ability to prudently manage the construction program.

## UNITED TRIBES TECHNICAL COLLEGE

*Question.* In this proposed budget, the funding for the United Tribes Technical College (UTTC) has been eliminated, even though it has been part of the Interior appropriations since the 1980s.

UTTC and Crownpoint Institute of Technology are under the Perkins Act and not the Tribally-Controlled Community Colleges Act. What is the justification for forcing these schools to seek funding add-ons each year instead of seeking a permanent solution?

*Answer.* UTTC and Crownpoint receive funding from the Department of Education under section 117 of the Carl Perkins Act. Under the proposed 2005 Department of Education budget, section 117 is funded at \$7.2 million. No other tribal colleges are eligible to receive funding under this section. Depending on student enrollment, section 117 funding will provide UTTC and Crownpoint with about \$6,600 or \$6,700 per student count. TCUs receive an average of \$4,230 per Indian Student Count in fiscal year 2004.

*Question.* What alternatives have the Department pursued to find permanent funding for these two schools?

*Answer.* The Department has not pursued "permanent" funding for these schools. However during formulation of the fiscal year 2005 budget the Department conducted an analyses comparing per student funding at CIT and UTTC with that of the TCUs.

## QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

## ENEMY SWIM DAY SCHOOL REPLACEMENT

*Question.* It is my understanding that there is some disagreement between the Bureau of Indian Affairs and the Office of Facilities Management and Construction about the appropriate replacement size for the Enemy Swim Day School, which Congress appropriated funding for in fiscal year 2004. I'm told that the Enemy Swim Day School successfully appealed the size of the school, and received a written commitment from BIA Deputy Assistant Secretary Aurene Martin on January 6, 2004, agreeing that the size of the replacement school would be 67,889 square feet. However, OFMC is apparently refusing to honor the outcome of this appeal and is instead insisting that the size of the school be 45,000 square feet.

What is the current status of this replacement project? Does the appeals process mean anything if OFMC is allowed to ignore the outcome? What steps do you intend to take to favorably resolve this dispute between various Interior offices?

*Answer.* The Bureau of Indian Affairs (BIA) Office of the Assistant Secretary (AS-IA), Office of Indian Education Programs (OIEP) and the Office of Facilities Management and Construction (OFMC) have been working diligently with tribes and

school boards to improve the process for replacement school construction. A new interim policy has been approved by the AS-IA that clearly defines how student enrollment is calculated and used in projecting the size of new schools. This was in response to findings from the OIG about student enrollment projections, which may have resulted in some over-built schools.

In the case of the Enemy Swim appeal of the interim policy for enrollment projection, approval for 139 students was granted, as requested by the school. In a meeting held with Enemy Swim, OFMC, OIEP and Enemy Swim, the school was given the authority to construct the school to the amount of square footage they could reach within available funding. The resulting space projection for this project is in the range of 45,000 square feet, which is well within the acceptable square footage for the approved student enrollment of 139. OFMC also was agreeable to the school's request to retain two modular buildings on the existing school campus for Adult FACE and school administration. The buildings will be set up on the new school campus and will be eligible for O&M funding.

OFMC will continue to work with the Enemy Swim School Administration and school board to complete this project, which will alleviate health and safety conditions for the students and staff.

#### STATUS OF OTHER SCHOOL CONSTRUCTION PROJECTS

*Question.* I am very concerned to note that, of the 20 school replacement projects currently pending, only 1 of these schools has been completed—and that project is done only because the Tribe started the construction with its own funds under the Cost Share Demonstration program. For some of these projects, design has been underway since 2001 or before and yet construction is still not started, much less completed. I am particularly concerned about the status of the two projects in my state, the Ojibwa Indian School and the Turtle Mountain High School. The BIA and OFMC have put obstacle after obstacle in place that have delayed construction. Meanwhile, Native American children are being forced to continue to attend classes in over-crowded, often unsafe and unsanitary conditions.

What actions do you intend to take to ensure that replacement school construction projects are completed in a more timely manner?

*Answer.* The Bureau and OFMC are very committed to the timely completion of replacement school construction projects. Many of the projects identified in fiscal year 2003 and fiscal year 2004 construction appropriations were adversely affected because the BIA has been resolving findings from the OIG about student enrollment projections, non-ISEP student counts and the size of schools. Based on these findings, the BIA developed interim policy for enrollment projections, which directly affects the size of the schools that can be constructed. This directly impacted the two projects at Ojibwa and Turtle Mountain.

Currently, the design phase for Ojibwa Indian School project is 70 percent complete. This project is handled through a Public Law 100-297 grant. The Ojibwa School Board has requested the ability to award site preparation for this project before completion of the 100 percent design approval. The Bureau is working with Ojibwa to accomplish this because of the short window for the construction season in North Dakota.

The design phase for the Turtle Mountain High School project is 99 percent complete. The Bureau is in the final stage of review.

The Bureau has established goals and objectives that clearly outline Planning, Design and Construction timeframes. The goal is to have the replacement schools completed in four years from Planning and Design through construction.

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#### QUESTIONS SUBMITTED BY SENATOR HARRY REID

##### BUREAU OF LAND MANAGEMENT

##### *Wild Horses and Burros*

*Question.* Overpopulation of wild horses and burros poses a grave threat to the nation's rangelands, which have already degraded by the extreme drought and fires of the past several years. The problem is especially severe in Nevada, where the 2003 wild horse population was conservatively estimated to be 17,930. This number does not account for the large number of foals born in 2003 and 2004, or for the 1,400 horses in Nevada holding facilities, at an average daily cost of \$3.47 per horse. Now, twenty-eight years after Congress authorized removal of wild horses and burros from public lands, Nevada is nowhere near its Appropriate Management Level of 14,000 animals.

Why does Nevada, with 48 percent of the Nation's wild horses and burros, receive only 14 percent of Wild Horse and Burro Program funding?

Answer. During the last three years (fiscal year 2001 to fiscal year 2003) an average of 46 percent of the BLM's total Wild Horse and Burro (WH&B) program expenditures were directly attributable to Nevada wild horses and burros. According to the fiscal year 2003 population data, Nevada managed 48 percent of the nation's free roaming wild horses and burros.

*Question.* How does the Department plan to overcome past failures of the Wild Horse and Burro Program, particularly regarding the severe overpopulation of wild horses on fragile, drought-stressed rangeland in Nevada?

Answer. We agree that the overpopulation of wild horses and burros poses a threat to the nation's rangelands, and that the drought and wildfire situation aggravates it that much more. The best approach to resolving these issues is to get to appropriate management levels (AML) and maintain them.

The current population of wild horses and burros on public lands is 36,000 animals. Populations have not been this low since the 1970's. The target appropriate management level is 26,433 and BLM is now in a position to achieve appropriate management levels within two years.

The progress to this point has also been the result of improved management efficiencies. The following are examples of those:

- The BLM has reduced removal costs by making improvements in contracting.
- The BLM has realized a cost savings by shifting from removals being done through BLM crews to removals done by contractors.
- The BLM achieved cost savings on long-term holding of excess animals by establishing a policy on the age of animals being removed that has reduced the number of younger age animals that go into long-term holding.
- The BLM has provided direction that all AML be established by fiscal year 2005 to facilitate the goal of having populations at those levels.
- The BLM has established a four-year gather cycle policy to minimize gather costs and reduce stress on animals.
- The BLM is reducing costs by determining the minimum feasible level of facilities to handle excess animals.
- The BLM has achieved significant cost savings in vaccines and medicines by converting from state-by-state purchase contracts to national purchase contracts.
- The BLM is reducing costs by moving from holding animals in contracted corral facilities to contracted pastures.
- The BLM has established a relationship with the National Wild Horse and Burro Foundation to aid in improving the marketing practices of the Adoption Program.
- The BLM has conducted three internal/external reviews/audits of the Wild Horse and Burro Management Program; results of these reports involve potential improvements or cost savings.
- The BLM has established programs in cooperation with prisons to hold, train and adopt horses. The result is lower holding costs with the added benefit of gentling of wild horses and increasing adoptions.
- The BLM has established a system of checks and balances and accountability using the Wild Horse and Burro Steering Committee, the BLM Executive Leadership Team and the Wild Horse and Burro Staff.
- The BLM utilizes the National Wild Horse and Burro Advisory Board to pursue efficiencies and recommended changes to program procedures.

The bureau's strategy to improve management of wild horses and burros on public lands is to redirect funds from other MLR programs to the WH&B program for the next several years to achieve AML west-wide by 2006. Most of the programs from which funds will be redirected will benefit from the eventual achievement of AML. Once AML is achieved, the Bureau projects that the wild horse and burro budget will begin to decline as the need for removal will drop from over 10,000 per year to about 5,000 per year with corresponding savings in holding, feeding, veterinary care, preparing for adoption, and adoption. The large number of horses now held in long-term holding will also begin to decline through natural mortality. BLM plans to direct the majority of this effort to Nevada with plans to remove at least 5,500 animals per year for the next two years.

For a more detailed review of these items and others please refer to the recently submitted report to Congress: "Reaching Appropriate Management Levels in Wild Horse and Burro Management."

## EASTERN NEVADA LANDSCAPE COALITION

*Question.* I appreciate efforts to restore health to our precious forests and rangelands. I believe that success hinges on involving local partners in this momentous effort. I am especially proud of the Eastern Nevada Landscape Coalition, a non-profit organization dedicated to restoring the dynamic and diverse landscapes of the Great Basin through collaboration with the Bureau of Land Management. Unfortunately, despite a 5-year, \$1 million per year assistance agreement, the Department has only allocated \$300,384 to this important coalition for fiscal year 2004, and has forewarned the group not to expect any funding in fiscal year 2005. In fact, funds for these types of partnerships have seen an overall decrease in your fiscal year 2005 budget. Recognizing that the cost of fire prevention is a great deal less than that of fighting fires and subsequently restoring rangeland, would you support investing Bureau of Land Management wildfire money in this coalition?

*Answer.* The Eastern Nevada Landscape Coalition (ENLC) is a valued partner to BLM. Through this partnership, much work has been accomplished to benefit the rangelands in eastern Nevada. BLM fully supports the mission of ENLC, and we collaborate with them whenever possible. The assistance agreement signed with ENLC authorized \$1 million per year, but that level of funding for such work has not been available. BLM must abide by Federal procurement laws regarding competitive bidding for projects that could be accomplished by ENLC through the assistance agreement.

In response to your specific question about wildland fire management funding, the Department of the Interior has in recent years conducted numerous hazardous fuels reduction projects on federal lands within the geographic area of the ENLC, and will likely continue to do so. As indicated in the table below, 16 fuels projects totaling \$711,000 were funded by the Department of the Interior in fiscal year 2003 and fiscal year 2004 combined. The Department is increasingly using contracts, grants, and cooperative agreements to perform fuels treatments. To the extent the ENLC is qualified to conduct such treatments, there are certainly opportunities for ENLC to participate in the DOI hazardous fuels reduction program through contracts, grants, or cooperative agreements.

EASTERN NEVADA LANDSCAPE RESTORATION—FUELS TREATMENT FUNDED PROJECTS

| Fiscal year | Projects | Mechanical treatment (acres) | Funding   | Prescribed burning (acres) | Funding  | Other treatments (acres) | Funding  |
|-------------|----------|------------------------------|-----------|----------------------------|----------|--------------------------|----------|
| 2003 .....  | 10       | 2,458                        | \$412,000 | 530                        | \$21,000 | .....                    | .....    |
| 2004 .....  | 6        | 451                          | \$204,000 | .....                      | .....    | 1,085                    | \$74,000 |
| Total ..... | 16       | 2,909                        | \$616,000 | 530                        | \$21,000 | 1,085                    | \$74,000 |

BLM will continue to fund projects on-the-ground in the ENLC area of emphasis to the degree possible. Fuels treatment projects are funded on a priority basis across all BLM administered lands, and BLM will do everything possible to ensure the vast majority of dollars received make it to the ground where it will do the most good.

In addition to fuels reduction funding, BLM seeks opportunities to engage ENLC in land health restoration work through other programs, including the Cooperative Conservation Initiative (CCI) program, which support the Great Basin Restoration Initiative and the Eastern Nevada Landscape Restoration Project. The Gleason Creek Co-op Sagebrush restoration project is under consideration for \$50,000 in CCI funding in fiscal year 2005.

## U.S. GEOLOGICAL SURVEY

*Question.* The United States Geological Survey plays a critical role in providing decision makers and the public with important information about floods, earthquakes, water quality and availability, mineral resources, wildlife, and the spread of invasive species, which inform economic development and land use planning. Yet, funding for important programs such as the Mineral Resources Program and the Water Resources Research Institute Program are slated for significant reductions or elimination in fiscal year 2005.

How do you reconcile the need for science in support of decision making at the Department of Interior in light of the cuts for the USGS in this budget?

*Answer.* The USGS and the Department are working very hard to better integrate USGS scientific work with the science needs of the other DOI bureaus to ensure that on-the-ground decisions are based on the best possible science. Much of the “re-

duction” in the USGS comes from the fact that the budget does not continue Congressional earmarks from the fiscal year 2004 budget. In the fiscal year 2004 USGS budget, there were \$17.1 million in earmarks. Although the work funded by these earmarks has merit in many instances, it doesn’t necessarily address the highest priority science needs of the USGS or the Department. The Department’s effort to make the highest and best use of its resources is not limited to looking at earmarks. Within the USGS budget, there are several reductions in lower priority base programs that allow the Department to fund higher priority needs, such as \$2.8 million for increased research in the Klamath Basin.

*Question.* The 108-year-old Cooperative Water Program is a 50:50 costshare between USGS and State and local governments, which funds water-resource activities requested by local governments. In recent years, non-federal contributions have increased, despite static Federal funding levels, demonstrating strong support and need for this program. If the \$60.4 million shortfall in the Federal match were funded, then 28 percent more locally driven water-resource data collection and scientific investigation could be accomplished at no additional cost to local governments. Does the USGS have sufficient funds to match all the monies provided by the States for this program?

*Answer.* In fiscal year 2003, the USGS provided \$64.4 million for Cooperative Program activities, and the 1,400 State and local partners provided \$135.6 million, or roughly 68 percent of total program funding. States are aware of what USGS is able to provide in matching grants for the cooperative program when they provide additional funding above what can be matched. The current funding level is sufficient to maintain a robust cooperative water program.

*Question.* The U.S. Geological Survey Fire Science program would be reduced significantly in the fiscal year 2005 budget, despite the Department’s stated support for understanding and preparing for wildland fires. The budget documents state that alternative sources of funding have been provided in both the Forest Service and Bureau of Land Management budgets. Specifically what are these alternative funding sources, where is it located in the other agencies’ budgets, and what mechanism will transfer the funds to the USGS Fire Science Program?

*Answer.* The funds are proposed to come from the Bureau of Land Management (BLM) Wildland Fire Management appropriation. The funds would be made available through a cooperative agreement.

#### NATIONAL PARK SERVICE

*Question.* The Interior Department’s budget does not account for funds that it will spend this year on privatization studies. How much money does the Department expect to spend on privatization studies this year?

*Answer.* The Department conducts competitive sourcing studies, which are designed to improve the quality, efficiency, and effectiveness of services that we deliver. As part of the competitive review process, the Department has completed studies covering more than 2,617 FTE to date and of the positions studies to date, 1,102 have been maintained in house and 1,515 have been contracted out. Throughout this process, no permanent Interior employee has lost a job. In instances where activities were contracted out, vacancies were eliminated, personnel retired, or permanent employees were placed elsewhere in the organization. In 2004, the Department anticipates that it will expend a total of \$1.8 million in fiscal year 2004 appropriations for competitive sourcing studies as compared to the \$2.5 million amount that is specified in 2004 Appropriations Act. The 2005 budget request includes \$4.2 million for competitive sourcing studies for Interior agencies.

*Question.* I am worried that recent Park Service memos directing staff to avoid publicizing budget limitations discourage the parks in Nevada from communicating with me. They should not feel that the Park Service leadership will retaliate against them for giving me honest assessments of their parks. What was the intent of the Park Service in sending these memos? Would you agree that there should be open communication between the parks and Congress?

*Answer.* While there was an internal National Park Service (NPS) memorandum that mentioned “service level adjustments” for the upcoming season, the intention was to head off any potential service reductions by discussing problems internally in order to make the management decisions that might be required, and to determine if the redirection of available funds was necessary. The Department strongly agrees with you that there should be continued open communication with Congress.

## QUESTIONS SUBMITTED BY SENATOR MIKE DeWINE

*Question.* What additional funds are needed to provide full science support for research conducted on behalf of the Great Lakes Fishery Commission at the Hammond Bay Biological Station and the Upper Mississippi Environmental Science Center?

*Answer.* The USGS currently receives appropriated and reimbursable funds for the Hammond Bay Biological Station and the Upper Mississippi Environmental Sciences Center (UMESC) for Great Lakes research. The UMESC field stations operate through reimbursable agreements with the States to conduct Great Lakes research. The funding provided is sufficient to carry this research forward at this time.

The Upper Mississippi Environmental Sciences Center conducts research which provides natural resource managers with scientific information needed to address issues such as the effects of contaminants, declining and endangered species, fishery drug research and development, river inventory and monitoring, the effects of nutrient loading, and long term resource (water, vegetation, wildlife) monitoring. Research at the Hammond Bay Biological Station focuses on development of alternative methods of controlling sea lamprey populations, refinement of existing methods for lamprey control, and on the effects of sea lampreys on Great Lakes fishes. Alternative control methods research currently includes barriers to sea lamprey migration, release of sterilized male sea lampreys to reduce reproduction, and the identification and use of migratory and sex pheromones. Other research focuses on application of lampricides, sea lamprey life history studies, population assessment, and interactions between host species and parasitic sea lampreys. The station has fish-holding facilities and houses the facility operated seasonally by the U.S. Fish and Wildlife Service to sterilize male sea lampreys. The funding provided is sufficient to carry this research forward at this time.

*Question.* What additional funds are needed for the Fish and Wildlife Service to provide its support to Great Lakes Fishery Commission efforts?

*Answer.* The Fish and Wildlife Service, as an agent for the bi-national Great Lakes Fishery Commission (Commission) since 1955, manages sea lamprey control activities in U.S. waters of the Great Lakes. This bi-national program is vital to the restoration of native fish in the Great Lakes and the \$4.5 billion sportfishing industry. Congress appropriated \$894,000 in fiscal year 2003 and \$889,000 in fiscal year 2004 to the Service to help fund its support of the sea lamprey control program. The President's Budget for fiscal year 2005 includes a request for \$889,000.

*Question.* The USGS's Great Lakes Science Center (GLSC) provides research support for a variety of state and tribal partners that allows them to better manage the unique resources of the Great Lakes. Over the last 10 years, however, the USGS has not provided sufficient funding for an adequate level of professional and administrative staffing to maintain the federal/state/tribal partnership on the Great Lakes. Please provide for the subcommittee an analysis of the levels of staffing and funding support received by the GLSC since its transfer to the USGS.

*Answer.* The GLSC transferred to the USGS from the FWS in fiscal year 1996. Total allocated staffing in fiscal year 2004 at 102 FTEs is 7 FTE above the allocated fiscal year 2003 staffing. Funding at the GLSC is projected to be \$11.1 million in fiscal year 2004. A table summarizing funding since 1995 follows:

(Dollars in thousands)

| Great Lakes Science Center | Fiscal year |         |         |         |         |         |         |         |          |          |
|----------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|----------|----------|
|                            | 1995        | 1996    | 1997    | 1998    | 1999    | 2000    | 2001    | 2002    | 2003     | 2004     |
| Funding .....              | \$8,012     | \$5,943 | \$7,153 | \$7,275 | \$7,415 | \$8,580 | \$8,230 | \$9,809 | \$10,105 | \$11,136 |
| FTE .....                  | 107         | 105     | 104     | 97      | 98      | 98      | 98      | 98      | 95       | 102      |

*Question.* We understand that the President's budget includes a slight increase for the Great lakes Science Center to address Great Lakes deep-water fishery research issues. How much has the president proposed for the large-vessel program? How much more does USGS need to develop the scientific capability to completely address these deep-water fishery assessment issues for its state and tribal partners without starving other GLSC programs?

*Answer.* The President has proposed a \$500,000 increase in the fiscal year 2005 budget for the Deepwater Science Program at the Great Lakes Science Center (GLSC). Therefore, with the proposed increase, there would be \$4.4 million for the Deepwater Science Program in the fiscal year 2005 budget. This funding level is sufficient to carry this program forward at this time.

*Question.* Congress has gone to great lengths to provide research vessels for the Great Lakes Science Center that facilitate research on the Great lakes. Some of these vessels have been inadequately maintained to the point their capability and safety have been called into question. What resources are needed to ensure their continued safe operations and to accomplish their scientific mission?

*Answer.* The USGS has worked to improve the vessel fleet on the Great Lakes. All vessels have undergone an extensive condition assessment with contracted naval architects. Any serious safety issues were immediately addressed. All eligible deferred maintenance/capital improvement (DMCI) projects for the vessels resulting from the condition assessments are included in the bureau's DMCI Program for consideration of funding in fiscal year 2006 and out years. For long-term vessel stability, the USGS is developing a vessel maintenance plan with the naval architect consultants. Once this plan is in place, a vessel capital replacement plan will be formulated to address replacing ageing vessels. The annual operations and maintenance costs for Great Lakes vessels are approximately \$1.1 million, which is budgeted. Vessels are now scheduled for haul-out maintenance on a 3–4 year cycle.

*Question.* What is the USGS doing to address the concerns raised by the Council of Lake Committees' Blue Ribbon Panel report and what measures will be used to improve communications and accountability for program delivery of the deep-water assessment program?

*Answer.* To address the concerns raised by the Council of Lake Committees' (CLC) Blue Ribbon Panel report, the USGS and the CLC developed and entered into a Memorandum of Agreement (MOA) and a Memorandum of Understanding (MOU). These documents were designed to facilitate cooperation and establish new mechanisms for the USGS and the CLC to work in partnership. The MOA establishes specific dates for the USGS to provide the CLC with both budgetary and scientific information relative to the deepwater science program. The USGS has already provided the first two reports as outlined in the MOA to the CLC. In fiscal year 2004, an additional \$1.0 million was appropriated for the Deepwater Science Program. To help re-build the Deepwater Science Program, seven additional FTEs were re-directed to the GLSC. The President's fiscal year 2005 budget maintains the 2004 \$1.0 million increase and requests an additional \$0.5 million for the Deepwater Science Program.

#### SUBCOMMITTEE RECESS

Senator BURNS. Thank you all very much. The subcommittee will stand in recess to reconvene at 9:30 a.m., Thursday, April 1, in room SD–124. At that time we will hear testimony from the Honorable Charles W. Grim, Director, Indian Health Service.

[Whereupon, at 11:27 a.m., Thursday, March 25, the subcommittee was recessed, to reconvene at 9:30 a.m., Thursday, April 1.]