

**PROPOSED FISCAL YEAR 2005 BUDGET REQUEST  
FOR THE DEPARTMENT OF THE INTERIOR**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**ENERGY AND NATURAL RESOURCES**  
**UNITED STATES SENATE**  
**ONE HUNDRED EIGHTH CONGRESS**

SECOND SESSION

TO CONSIDER THE PRESIDENT'S PROPOSED FISCAL YEAR 2005 BUDGET  
FOR THE DEPARTMENT OF THE INTERIOR

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FEBRUARY 12, 2004



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**PROPOSED FISCAL YEAR 2005 BUDGET REQUEST FOR THE DEPARTMENT OF THE INTERIOR**

**THURSDAY, FEBRUARY 12, 2004**

U.S. SENATE,  
COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:03 a.m., in room SD-366, Dirksen Senate Office Building, Hon. Pete V. Domenici, chairman, presiding.

**OPENING STATEMENT OF HON. PETE V. DOMENICI,  
U.S. SENATOR FROM NEW MEXICO**

The CHAIRMAN. The meeting will please come to order.

First let me thank you, Madam Secretary, for coming today. You probably know that there is a transportation bill up on the floor. Some of the Senators are there. Some will leave there and come here, and the ones that cannot make it will pose their questions to you in due course and they can be responded to by you as quickly as possible.

I have a short opening statement, and then I will yield to Senator Bingaman and we will have a series of questions following it.

First of all, you have a very vast jurisdiction that concerns a lot of the Senators on this committee. It is no surprise that they choose this committee because they have a genuine interest, whether it be the forests, the BLM, whatever, Indian rights, et cetera. We want very much to accommodate them, and we want to establish as good a working relationship with you and your chief staff people as we possibly can. We want to get answers where there is no reason to argue. We do not want to not get the answers because we do not ask. We want to establish a policy of openness towards you, and we would hope it would be the same the other way around.

So it is obvious I extend a welcome to you, and I hope that we can complete the first round of testimony on the 2005 budget of your Department this morning.

I am also pleased that Lynn Scarlett—is that how you say it?

Ms. SCARLETT. Yes.

The CHAIRMAN. The Assistant Secretary for Policy, Management and Budget is here today. Senator Bingaman, I was not properly informed and I do not know if you were or not, but that lady does a lot of work in the Department. That one over there.

[Laughter.]

Ms. SCARLETT. Thank you.

The CHAIRMAN. In fact, the Secretary is quite certain that she could not do her job without her. So we are glad she came and we thank her for her many, many hours serving the Department.

I am very pleased that you are here, Senator, so we can proceed with this as quickly as we can, and I thank you for your abiding interest in this subject.

I would first like to congratulate the Department on its work to lay out a strategic vision, and for its efforts to improve the performance and management and accounting functions of your agency. It is no small job you have undertaken. We have been expecting that of the Departments, but I can tell you that the Energy Department claims they are the first one to have completed it all. We have had no opportunity, nor do I think we will, to determine whether it is right or not, but you are right behind them as I understand.

This year, the President has requested \$11 billion in current appropriations for those agencies within the Department. That represents a \$250 million increase overall above the fiscal year 2004 level. Now, we understand that that does not mean that every single item in your budget got a piece of that \$250 million. Some got reduced and some got more. It is hard for us to put all that together for a hearing like this, but for the programs that came down, we will hear the hue and cry before too long, and we might have to get you back or get some questions to you.

The overall budget represents a 2.3 percent increase as proposed, and that is a near-flat budget when you take inflation into account. But it is the largest Department of the Interior budget in history.

I should also note that the Department is charged with the operation of programs that will bring in an estimated \$10.1 billion in receipts in fiscal year 2005. This is one of the work horse agencies for the Federal Government. With the President's continuing and necessary emphasis on defense and homeland security, many Departments, including Interior, are feeling the pinch. However, we must remember that the Department of the Interior is actively engaged in securing our most important national monuments against terrorist attacks. It is a major challenge for the Department to protect national park sites such as the Statue of Liberty and the Washington Monument, and I want to congratulate you, Madam Secretary, for the progress you have made on this front.

In spite of the budget limitations, there are some good proposals in this budget that are new. I am pleased to see that the President has committed to the recently enacted Healthy Forests legislation with a request for \$209.3 million, if I understand the budget correctly, for hazardous fuel reduction activities, and I will have some questions about that.

The West in general, and Senator Bingaman's and my State specifically, continues to face the prospects of long-term drought. Many members will want to discuss the administration's water initiative in greater detail. I might say in all honesty the lack of a significant water policy initiative.

We will have to look at the budget for the U.S. Geological Survey. Proposed reductions in USGS research, if adopted, could undermine the critical role that it plays in water resource management.

Good stewardship of the public lands is our major task, as it is yours, and I think the President's Interior budget reflects the commitment. We hope you can convince us that it is adequate.

I am pleased to note that the Department has made real progress in addressing the maintenance backlog of the National Park System. I also commend you, Madam Secretary, for proposing reforms for the abandoned mine lands program. We have a Senator here who is vitally interested and he may not agree that the reforms are adequate or that we ought to proceed with what you recommend precisely as recommended. This program is scheduled to expire in September. I made a commitment in the energy conference to take up this issue early in the session, and we will be holding hearings on that very soon. Although I do not think the Department's proposal goes far enough in addressing some of the concerns of a number of our colleagues, it is important. It is an important step that you take, and I look forward to working with the Department in that area, as do many Senators.

These are a few of the issues that the committee will discuss with you today. I am pleased that you could join us. We look forward to a summary of your testimony which will be made a part of the record.

I now turn to my ranking member, Senator Bingaman. Then we will proceed with some questions.

Senator Bingaman.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR  
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman.  
Welcome, Secretary Norton.

Let me point out a couple of concerns that I have before we get to the statement by the Secretary. First, in the Land and Water Conservation Fund, the claim is again this year that the administration is asking for full funding of \$900 million. I really do think that this is something akin to a budgetary shell game that we see being played again this year. My definition of full funding of the Land and Water Conservation Fund would essentially mean the funding level, the \$900 million, committed to the two programs that are authorized to be funded in the Land and Water Conservation Fund. That is Federal land acquisition first and, second, a State open space grant program.

Now, when you look at what is actually requested for Federal land acquisition, it is \$220 million. When you look at what is requested for the State grant program, it is \$94 million. So the total comes up to \$314 million, which is a third of the authorized level. Everything else in the \$900 million is extraneous to the Land and Water Conservation Fund authorized purpose.

So we have had this discussion before. I just once again express my frustration at the continued effort to claim full funding for a program when clearly that is not what is being requested.

Second, in this area of water, the administration came up with its Water 2025 initiative, which in concept I think is worthy of support. Unfortunately, again I have got real problems with what is being requested in the budget. As I see it, the administration is proposing an \$11.6 million increase in Water 2025 for the Bureau

of Reclamation, but it is also proposing \$25 million in cuts in other Bureau of Reclamation programs that support conservation and efficiency and collaboration and technology initiatives.

On top of that, the budget proposes a 64 percent cut in the title 16 water reclamation and reuse projects, despite the endorsement of water reuse in this Water 2025 initiative.

I have real doubts as to whether what is proposed represents a real commitment to dealing with the water issues in the West.

Let me mention one other major concern that I have, Mr. Chairman. This is an unfortunate subject to have to raise, but I do not think we have ever had a period that I have observed in the 21 years I have been here where we have had such poor levels of response from the Department, and let me cite two examples of what concerns me here.

I wrote, Secretary Norton, to you in September of last year requesting information about the NFL kickoff event on the Mall. That was in connection with an amendment that I was going to offer to the Interior appropriation bill. You never replied. Instead, we did get a response back from one of your staff on December 17. That was 3 months after we wrote. That was more than 2 months after the Senate voted overwhelmingly for the amendment that I was trying to get information relevant to, and it was more than a month after President Bush had signed the bill into law that included the amendment.

In the reply, the staff member that replied to me said that the Department had chosen to treat my questions "in accordance with the Freedom of Information Act." There are various exemptions under that act which he said would allow him to withhold the information and he did note that he was going to graciously not charge me the \$16.70 usual for answering a letter, which I appreciated.

[Laughter.]

Senator BINGAMAN. Congress enacted the Freedom of Information Act to broaden the rights of any person to obtain government information. By its own language, it does not apply to the Congress. The D.C. Circuit has said that committee chairs and ranking members and other committee members and, indeed, all members of Congress are not covered by this. So I have a real problem with the lack of responsiveness in that regard.

Let me mention one other area of lack of responsiveness. For the second consecutive year, your Department has failed to give the committee the detailed budget justifications for most of the agencies in the Department. This makes it difficult for us to prepare detailed questions about the budget. That happened last year, and after last year's hearing, several of us, Senator Akaka, Senator Cantwell, Senator Feinstein, Senator Wyden, and myself, submitted questions that we requested be answered in writing. The Department never has responded. To me that is an unacceptable level of response.

I hope that we can cure this problem, but we have a serious breakdown in communication from the Department to at least this member on this committee and I hope that that can be addressed. I will have some questions on it in the future here.

Thank you.

The CHAIRMAN. Thank you, Senator Bingaman. Senators, there are only five of us. Would you like to have a few opening remarks before we start the questions or would you want to proceed?

Senator JOHNSON. Just a small one.

Senator CAMPBELL. Proceed with questions.

The CHAIRMAN. He would like to have a few minutes. Would you like to have a few, Senator?

Senator THOMAS. Yes.

The CHAIRMAN. All right. Let us go, Senator.

**STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR  
FROM WYOMING**

Senator THOMAS. Thank you.

Welcome, Madam Secretary. Ms. Scarlett, good to see you again. We are delighted that you are here and ready to move forward on this.

Obviously, there are a lot of things we are concerned about. The parks. I am pleased there is an addition to the park funding. I am a little confused about having a \$1 million increase and allocating \$1.1 billion to backlog. I hope you will explain that a little bit.

The AML thing was already mentioned. I think there needs to be some fairness and payments there. I am surprised that we do not do it a little more like the mineral leasing where the State that is supposed to get the money actually gets the money, and that has not been the case. So we need to fix that certainly.

ESA. We talk about endangered species and more money there and more money for listing, when the fact is we have listed 2,000 species and recovered about 15. So it seems to me that is not the right emphasis.

Land purchase. I am glad that you are saying we are not going to use the Land and Water Conservation Fund for land purchase. We have got enough Federal land, frankly, and we ought to be making exchanges in my view where there needs to be additional land there.

Wild horses. I want to talk a little about that. We gather them, but we do not know what to do with them after we have gathered them. I think you are going to have to come up to the snubbing post on some of these things and make some decisions.

Finally, the fee demo project. We dealt with that yesterday. I know that you would like to go further. We agreed to have some more hearings and to take a look at the other agencies in addition to parks.

So I have a questions, as you might imagine. Thank you for being here, and I look forward to visiting with you.

The CHAIRMAN. Senator Campbell.

**STATEMENT OF HON. BEN NIGHORSE CAMPBELL,  
U.S. SENATOR FROM COLORADO**

Senator CAMPBELL. Yes, Mr. Chairman. I have some questions dealing with the Cobell lawsuit, with some water impoundments in our area and with fire suppression.

Senator Thomas did make a comment about the wild horse and burro program which is something I have been concerned about. It

is not a real big deal I guess when you look at all the other areas where we have to focus, but I did want to draw your attention to something that I think is very positive happening with that program, and that I am not sure some of my colleagues know about it.

There is an adoption program, as many of us know, but in the State of Colorado, there is a youth riding group called the Westerners. I think you are probably familiar with this since you came from Colorado, Madam Secretary. Almost all of the horses in that program were captured in Nevada or somewhere. They are all wild horses, all mustangs or cross-breds with feral horses. They are then taken to the Colorado State Penitentiary, of all places, where volunteer inmates break them and train them, and then they are donated to these youngsters. I think all the youngsters have to pay is like \$100 or something and that is for the inoculations that the horses have to have. I think it is one of the real positive programs that has been initiated by the Federal Government with the help of the State.

A lot of these kids are at-risk kids. They do not have the money to buy a horse, and I think it has probably done more in that area of Colorado to get kids in some kind of productive, positive endeavor than anything I know of.

These youngsters go all over the country. All the parents and all the people that work with it are all volunteers. There is not one single paid staff, and even the people that drive the trucks and run their little museum and do the training and so on are all volunteers. I had a chance to visit the other day, and they were celebrating their 50th anniversary. So there were actually grandmothers and grandfathers in there, who had been in that same program, watching their grandkids. It has gone on that long.

I just wanted to point that out because I know some of us in the West are awful concerned about the explosion of the wild horses and burros and what is happening out there. But it is a terrific program and if you have not visited it, I would highly recommend it.

Thank you. Thanks, Mr. Chairman.  
The CHAIRMAN. Thank you, Senator.  
Senator Johnson.

**STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR  
FROM SOUTH DAKOTA**

Senator JOHNSON. Thank you, Mr. Chairman and ranking member Bingaman.

I will submit a full statement for the record. I did want to raise just one issue, and I want to welcome Madam Secretary to our hearing today.

I am deeply concerned about the Department of the Interior's commitment to the USGS remote sensing program, and I did want to raise that just quickly. The LANDSAT program has collected and distributed a 32-year continuous record of the land surfaces of the world. It is a world resource. The program has been so successful, in fact, that a significant portion of the program's budget is covered through outside data sales. I only wish more Federal pro-

grams were offset in cost to the degree that this program has been over the years.

Unfortunately, a hardware program aboard the LANDSAT 7 satellite has resulted in degraded images, and this in turn has, obviously, resulted in a sharp decline in revenue. I am deeply concerned that the Department of the Interior and USGS not allow the data collection facilities to be diminished due to this shortfall.

An interagency working group, it is my understanding, is reviewing the best possible options for NASA to develop and deploy the next generation LANDSAT satellite and there is strong support to maintain the long-term viability of the LANDSAT mission and restore the value of the program's data collection and distribution capabilities.

So it would be, I think, irresponsible right now to allow our data collection facilities to degrade while we are working to expedite efforts to upgrade the hardware. We need to find a way to preserve the full capabilities of these institutions so that we may properly and successfully maintain and operate the next generation LANDSAT mission in addition to our current efforts to maximize the data that can still be received from LANDSAT 7.

So I just want to say, Mr. Chairman, I look forward to working with the Secretary to see what we can do to allocate the necessary resources so that our remote sensing data collection facilities continue to be the strong program that it is. I have mentioned to Secretary Norton that this is an issue that Senator Daschle and we do not currently have a House member from South Dakota—would very much appreciate a brief sit-down discussion with the Secretary to see if we can find ways to solve what is a problem that has global consequences.

Thank you, Mr. Chairman.

[The prepared statement of Senator Johnson follows:]

PREPARED STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR  
FROM SOUTH DAKOTA

Thank you, Chairman Domenici, for scheduling today's hearing on the Department of the Interior's Fiscal Year 2005 budget. I am pleased that the Committee was able to secure Secretary Norton's presence for this important hearing. There are few departments within the Federal Government that have a more immediate impact on the direction of the Energy Committee, as well as the citizens of our State than the Department of the Interior and related agencies.

Given the precarious position of the federal government's finances, I can not begin any discussion of a particular department's budget without first commenting on the priorities and direction afforded to our country by the President's fiscal stewardship. The President's budget projects an all-time record budget deficit of \$521 billion. In February 2003, the FY 2004 budget submitted by President Bush anticipated a \$304 billion deficit. However, the picture is even bleaker if you exclude the surplus receipts of the Social Security Trust Fund, the actual size of the projected FY 2004 budget balloons to \$696 billion.

The President's budget pledges to reduce the size of the deficit in half to \$237 billion by the end of the decade. Keep in mind, however, that last February, the President's FY 2004 budget predicted a 2004 budget deficit of \$304 billion, which is \$217 billion less than what the White House is predicting today—\$521 billion.

The credibility of the White House to tackle the massive deficit is further eroded because the FY 2005 \$401 billion defense request does not include funding for ongoing operations in Iraq or Afghanistan. This essentially ensures the President will submit a post-election supplemental appropriations request.

I want to turn my remarks to discussing a matter directly related to the Department of the Interior and specifically the future of earth imagery satellite recovery and why it is important that the Department of the Interior maintain the primary

role for this crucial mission. Thirty-eight years ago, the Department of the Interior—under the direction of Secretary of the Interior, Stewart Udall—announced the urgent need for an earth resources observation systems program that would, and I quote, “. . . apply space technology towards the solution of many pressing natural resource problems being compounded by population and industrial growth.” As a result of this vision, in 1972, the United States launched its first Earth Resources Technology Satellite (later renamed Landsat 1). Today, Landsat 5 and 7 are still collecting global land surface coverage on a daily basis. This 32-year continuous record of the land surfaces of the world represents the most successful long-term “civil land remote sensing satellite system” deployed by the United States or any other space-faring nation.

Today, there are many operational and research applications of moderate resolution—Landsat—data. They include, just to name a few, wildfire management and mitigation; environmental monitoring; emergency response; watershed analysis; coastal hazards analysis; homeland security and many more. In fact, moderate resolution satellite data has become a very important tool for managing and predicting the responsible development of America’s natural resources. It is not an understatement to say that moderate resolution satellite data is critical to the environmental integrity of the Earth.

The program has become so successful that a significant portion of the program’s budget is recovered through data-sales to outside sources. And although it has proven unfeasible at this time, serious consideration has even been devoted to privatizing the entire program. I hope that someday the private sector may implement a remote sensing program, but until that occurs, I believe it would be a tremendous error to jeopardize 32 years of successful, continuous data collection and archiving. Therefore, I am concerned that the Fiscal Year 2005 Department of the Interior budget threatens to turn back on the progress and commitment to the Landsat program. The Administration’s request for the U.S. Geological Survey’s National Mapping Division, which partially funds the functions of the Landsat program, is proposed to be cut by \$10 million dollars. This short-sighted reduction will damage the important contribution made to our economy and environment by the Landsat land surfacing mission.

The Department of the Interior should be responsible for preserving the data collection and distribution facilities to ensure the value of the next-generation Landsat satellite. An interagency working group is reviewing the best possible options for NASA to develop and deploy the Landsat Data Continuity Mission (LDCM). That report is expected to be presented later this month. As we seek to replace the malfunctioning LANDSAT hardware and restore the full value of the critical program, it is vital that the Department of the Interior and USGS preserve the full data collection capabilities to support the current mission and the next generation Landsat mission.

Again, thank you for holding this hearing, Mr. Chairman, and I look forward to directing my questions to Secretary Norton.

The CHAIRMAN. Thank you, Senator.

Madam Secretary, your statement is in the record. We very much would like you to summarize it and then we will proceed to ask questions. If you choose, because something has been raised, to proceed beyond or collateral to your statement now, just do it as part of your statement. If you want to wait until later, we will get back to it.

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

Secretary NORTON. Thank you.

Mr. Chairman and members of the committee, I am very pleased to join you today to highlight the Department of the Interior’s budget for fiscal year 2005.

Interior, as you know, manages some of the most wonderful lands in America, our fantastic wildlife resources. We work with our Native American tribes. We are involved in preserving America’s cultural and historic legacies. The Department of the Interior’s mission is an inspiring one and it is also challenging because the

world around us is 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.

Our budget provides the single clearest statement of how we plan to work toward our goals in the upcoming year. Our overall budget request is \$11 billion. Interior is perhaps unusual among Departments in that we pay through our revenues for most of the income to our Department. We had a little over \$10 billion in revenue for this past year.

Our 2005 budget request is an increase of \$250 million, or 2.3 percent, over the Department's 2004 enacted budget. Our budget fulfills the President's commitments to fully fund the Land and Water Conservation Fund, fix Bureau of Indian Affairs schools, re-establish healthy forests and rangelands, and address the backlog of park repair and maintenance needs.

Our budget will help us achieve our vision of healthy lands, thriving communities, and dynamic economies by accelerating the cleanup of abandoned mine lands, advancing trust reform, expanding opportunities for cooperative conservation and mitigating water problems in the West through Water 2025.

In each of these endeavors, we are harnessing the collective creativity of our employees and our partners. For example, abandoned mine land reclamation has long presented challenges to communities. Since the Surface Mining Act was established in 1977, Interior has partnered with States, tribes, local governments, and non-profit groups to reclaim 225,000 acres of damaged and dangerous lands.

Despite all of the work done over the past 2 decades, more than 3.5 million Americans still live less than 1 mile from dangerous abandoned coal mines. I had the opportunity to visit Pennsylvania a few days ago and see their historic mine activities. They are right in the midst of communities. There are 100-foot to 400-foot sheer dropoffs into ponds that have submerged dangers. It is tremendously dangerous, and over the past few years, there have been a number of people who have died in that. I believe it is 100 people since 1999 have died at various abandoned mine sites.

The allocation formula under the act has made sense at the time that the act was passed where the current production was in the same area as where the historic production had been. But today the growth in Western mining has caused the historic production and the current production to diverge. We want to work with the committee, with the Senators in order to find a way to more appropriately realign the funding and the problems. Today about 71 percent of abandoned mine land grants go to States based on current coal production. We estimate because the allocation does not go to where the problems are, that it would take 60 years to finish reclaiming the most dangerous abandoned mine sites in Pennsylvania and 50 years in West Virginia.

Under our proposal, we want to eliminate the significant health and safety problems within 25 years. We also recognize the States that have received commitments for funding under the current production allocation, and our proposal would freeze that pot of funds and repay that to the States that have the expectation accumulated

over those years over a 10-year period. So we want to balance the interests of both the current producing States and the States that have the serious problems.

To support our proposal, we are requesting \$244 million for the abandoned mine land program. This is the largest amount requested since States established their programs almost 20 years ago. Our proposal will speed resolution of the serious health and safety problems. By acting now to refocus the program and direct funding to the highest priority sites, abandon mine land reforms will save \$3 billion over the life of the program.

Another longstanding challenge that the Department faces is that of Indian trust management. I know that Senator Campbell is certainly familiar with that from the Indian Affairs Committee, and many of you are also very aware of that. But because it is the largest growth area in the Department of the Interior budget during the 3 years that I have been in office, I would like to address that so that you are aware of the problems. There are many problems in that area that, if not corrected now, could swallow the budgets of other programs.

In 2003, the Department began reorganizing trust functions in the Bureau of Indian affairs and the Office of the Special Trustee. The new organization resulted from a detailed analysis and a year-long consultation process with tribal leaders. Our reorganization reflects the views that we received from those tribal leaders and should allow us to have a much better customer service focus to our trust activities. We believe it is very important to have communication with our beneficiaries and to have people who are clearly focused on meeting our trust commitments, and that is what this reorganization will do.

The chart that we have here shows the growth in our trust budget over time, including BIA and the Office of the Special Trustee. This year we are requesting \$641 million for that program.

I would now like to focus on the fractionation of Indian lands. Because we allotted lands to individual Indians in the 1880's up to the 1930's, we have millions of acres that are held by the United States in trust for individual Indians. They have passed through time, because most were passed without wills, and divided among the heirs according to the laws of each of the States. If we look at this example and assume that the individual allottees back in 1887 had four children and that their four children had four children and go on through each of the generations, by the time we reach the fifth generation, each heir owns less than half a percent of the original 40 acres.

Now, we have seen this problem exacerbated because of the laws of various States and because of the situations in various areas. I just visited the Gila River Indian community in the Phoenix, Arizona area, and there, for example, we have someone who owns one-five-hundred-thousandth of an interest in a 10-acre parcel.

For each of these tiny fractions of land—and we have thousands and thousands of parcels that have tiny, tiny fractions, we still have to probate the estate of the person who holds that interest of land when they die. We have to keep a bank account that may have a penny in it and cost us \$130 a year to maintain in order to keep track of the proceeds from that land. We have so many

things that we are doing to manage these tiny fractions that really do not make sense, and if those are allowed to continue, then they will crowd out all of our other Indian trust programs and other funds available for Department of the Interior activities.

We have minutes of a meeting that took place in 1934. They identified this problem and things that needed to be done to correct it. 70 years later, there have been some attempts in Congress to make changes, but those have been unsuccessful. Every administration for the last 70 years has kicked the can down the road and just left the problems to be resolved for future generations.

We are attempting to resolve those problems. We have committed funding that will bring our buy-back program, our Indian Lands Consolidation Act program to purchase these tiny fractions to \$75 million. That is admittedly just a small fraction of the amount of money that would be necessary to buy back all of those lands. We are trying to make sure that program operates effectively and efficiently so that we can get this problem under control.

I am very proud of the efforts of the people in my Department to try to correct these problems. It is a century-old problem and we are trying to get that resolved very quickly. We appreciate the cooperation of the people in Indian country as we implement our changes.

Let me now move on to the issue of healthy forests and catastrophic fires. Our Nation's communities must not continue to experience the unnatural catastrophic fires that have devastated homes and habitat in recent years. We must restore forests and rangeland health.

On December 3 of last year, President Bush signed the Healthy Forests Restoration Act. That legislation will help us reduce threats from destructive wild fires. It will enable us to restore forest and rangeland health and encourage public participation in selecting and implementing projects to reduce the unnaturally high levels of brush and small trees that we find in our forests.

Our 2005 budget provides a \$25 million increase to conduct fuels reduction projects. In total, Interior's budget includes over \$300 million to advance the goals of the new legislation. Our proposed investments, together with that of the Forest Service, will provide a total of \$760 million to meet the goals of the Healthy Forests Restoration Act. Our new stewardship contracting authority will also help us to partner with small businesses, nonprofits, and local communities to restore healthy forests and reduce catastrophic fires.

Partnerships provide the keystone for achieving our conservation goals. We have funding that includes many programs that you are already familiar with that are cooperative approaches to conservation. These are grant programs where we work with States, non-profit organizations, with landowners, and others to restore habitat on private lands, to enhance wetlands, to take care of sensitive riparian areas, reduce stream bank erosion, and so many other types of conservation activities.

As I have traveled around the country, I have been so impressed by the enthusiastic involvement of people in each of their projects. These are projects that overall total \$507 million.

Our 2005 budget proposal provides \$58 million for invasive species. This will let us partner with other agencies, States, tribes, and communities to combat brown tree snakes in the Pacific Islands, salt cedar that infests areas in the Southwest, and many other types of invasive species.

We have a challenge cost-share program where each of our land management agencies works with neighbors and with nonprofit organizations. In that program, we have funded in 2003, 256 projects with more than 700 partners in 40 States and Puerto Rico. We have achieved an almost 2-to-1 matching of non-Federal to Federal funds. So in each of these projects and each of these types of activities, we are leveraging involvement of the private sector.

We have an 11-State high plains project that brings together communities, agencies, citizens to enhance habitat on private lands and conserve declining species. Our budget includes a \$5 million increase for this high plains partnership that will leverage funding by partners and provide conservation efforts over the next 10 years on 2 million acres of land. This includes a lot of habitat for the sage grouse which is a species that we will soon be considering as to whether it should be listed on the endangered species list.

The partnerships will also help us meet Western water needs in a context of growing populations and heightened demands. Our 2005 budget includes \$21 million for Water 2025. This involves the Bureau of Reclamation and the U.S. Geological Survey in efforts to help communities invest in new technologies to enhance water supplies, including desalinization, and develop conservation efficiency and water marketing projects.

We have under this year's budget a new program that is a challenge grant program to water districts to find ways of enhancing irrigation efficiencies, establishing water banks, and in other ways making sure that we are operating our agriculture efficiently and freeing up water for communities. We eagerly await receiving the proposals under that grant program.

We are also striving to provide outstanding opportunities for Americans to visit and enjoy this Nation's public lands. The President pledged to address the park maintenance backlog, and our budget includes \$1.1 billion in support of the President's commitment to address the deferred maintenance backlog. That includes \$725 million for park facility maintenance and construction, which is a \$25 million increase over 2004 that is in the Department of the Interior budget. There is also \$310 million for park roads that is in the highway bill.

We have already undertaken 900 projects to ensure safe trails, sturdy roofs, smooth roads, fixed foundations, among other items.

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 history, the National Park Service will, by the end of 2004, have a complete index of the condition of all of its facilities. This gives us a systematic approach for taking care of repair and maintenance. Our budget builds upon these efforts by proposing an increase of \$22 million in park base funding to help our parks continue to provide outstanding recreation and other visitor opportunities.

Central to all of our resource managing programs is making sure that we are monitoring our activities to assess the results. We are looking at water quality and quantity, at the condition of habitat, and whether our management practices are being effective.

Our 2005 budget proposes to increase our monitoring efforts. We propose a \$5 million increase for Park Service tracking of the health of park ecosystems and a \$4 million increase to strengthen and enhance the Bureau of Land Management's resource health monitoring. We propose a \$2 million increase for activities related to the Fish and Wildlife Service bird monitoring program and an \$800,000 increase to measure movement in the earth's surface using new technology resulting in better information that will help protect people living near volcanoes.

There are many of our programs that require that we improve our management, and that is perhaps not as glamorous as some of the other things that we talk about. But we have been implementing improvements to our management systems. We have, in particular, made tremendous advancements in our information technology by consolidating systems, and that results in significant savings. We are implementing state-of-the-art e-government initiatives. We are focusing on building partnerships and results and moving toward management excellence.

Thank you very much.

[The prepared statement of Secretary Norton follows:]

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

Good morning. I am pleased to be here today before the Committee on Energy and Natural Resources 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.

Our budget also includes \$1.0 billion for programs funded in the Energy and Water Development Appropriations Act, an increase of \$21.8 million, or 2.2 percent above 2004.

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

*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 coalmines. 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 proposal 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 ten-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. 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 Committee 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 five-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. Developed with the help of this Committee, 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 ten-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, 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 two million acres over the next ten 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 eight 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.

#### MAINTAINING PARKS AND PRESERVING HERITAGE

*Park Maintenance Backlog:* President Bush pledged to improve the condition of National Park Service facilities and resources and committed \$4.9 billion over five years for park facility maintenance and construction. The 2005 budget continues to fulfill this 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.

*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 his-

toric 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.

#### MANAGING RESOURCES

*Water 2025:* Chronic water supply problems in the West will continue to challenge the Nation to find effective approaches to long-term management of water resources. Recent crises in the Klamath and Middle Rio Grande basins, where water shortages have affected American Indians, farmers, urban residents, and fish and wildlife vividly demonstrate the consequences of failing to address strategically the problem of competing demands for constrained water supplies.

The 2005 budget includes \$21.0 million for Water 2025 to 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. Collaborative approaches and market-based water transfers will help address emerging needs. Federal investments in research and development will improve water treatment technologies such as desalination.

A Water 2025 increase of \$12.5 million for the Bureau of Reclamation will build on the 2004 Western Water Initiative, providing a total of \$20.0 million to retrofit and modernize existing facilities, promote conservation and more efficient use of existing water supplies, improve water management by using excess capacity at Federal facilities, and facilitate research to provide alternative water supplies.

The U.S. Geological Survey's 2005 budget includes \$1.0 million for Water 2025 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.

*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 \$67.6 million for this effort, a \$17.9 million increase over 2004 funding levels. 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 two-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 six-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.

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 \$39.2 million over the 2004 level for law enforcement and security.

The 2005 budget for the Bureau of Reclamation budget includes \$43.2 million, an increase of \$15.4 million, to continue security modifications at priority dams. 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 responsibility 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 inter-operability 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 Department'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.

The CHAIRMAN. Thank you very much.

I want to, for the record, Madam Secretary, follow along for just a couple of minutes on Senator Bingaman's concerns. First, I want to tell you that this business of responding to our questions, formal or informal, has to be addressed—the problem of non-responsiveness has to end. I want to tell you as chairman I consider it your responsibility to see to it that it ends. It is ludicrous that a Senator would get an answer about whatever it was Senator Bingaman asked about. Some staffer may think they do not like the question, but to answer him and say we consider it a Freedom of Information question and we are going to generously forgive you the \$16 is unacceptable. I will tell you what I think. I think if that person is still in your Department and nothing has happened to him, then shame on you. First, you better find out, and secondly, that kind of person has got to be so uninformed or so without regard to who we are that I cannot imagine that he would still be around.

I want to also tell you that Senator Bingaman was not the only questioner whose questions were not answered. We just checked the record for this Senate committee after the last hearing. I asked you 42 questions in writing. Adding up the rest of the committee, Senator Bingaman asked 55 questions and so on and so on. Now, I will acknowledge that we asked you to answer them quickly. But Madam Secretary, if that is an excuse—and it may be—then at least the committee is entitled to a direct communication from you that these questions, which were intended to clarify the hearing are not completed. You must tell us you cannot get it done, not leave them all to this day unanswered. Okay?

So I hope we start this off with the idea that we are relatively important in your scheme of things. It may be that you think the appropriators are the only ones around. We have established already here on our committee that we have enough time, and we are not going to yield every time we get a difficult issue. We are going to solve it here, which means you are going to be answering to us through your people.

So if we can have that understanding, I would like you to answer in the record if you got the point and if you will attempt to solve these problems.

Secretary NORTON. Mr. Chairman, I sincerely apologize for the oversights in not responding and not responding appropriately to the questions and the correspondence that we have received. I am going to establish within my Department tracking so that I get a personal report on all of your correspondence and the replies to that so that I will personally be able to assure that we are seeing that we are responding.

The CHAIRMAN. I thank you very much.

Now, the way I understand the hearing, I will have a few questions. Then Senator Bingaman is next. Senator Thomas is next. Senator Johnson is next, Senator Campbell, and then Senator Craig. We are doing this, Senator Craig, not on seniority but on time of arrival. When I am finished, I am going to leave for a little while and Senator Craig has willingly agreed to be chairman for a while.

Madam Secretary, I have about four areas to discuss with you. I am going to be as brief as I can, and then I am going to submit a whole series of questions on these very same issues.

First, I am going to talk about an issue in New Mexico. Because it is unique, I think it should be of interest to you. We have a Rio Grande River, which is our only significant river. It was called Rio Grande because Rio Grande in the Spanish language is not really Rio Grande. It is Rio Grande, meaning it was the big river as explorers approached the Southwest. Well, it is not very big anymore and it runs dry in its lower regions many, many times in many parts of the year and has historically.

But there lives in that river a little minnow. The minnow, for the most part, is not where the water is, which is most unique. It is at the end of the river in sand and low water so that the river must run almost its entire length to reach the minnow. There is a vote at 11 o'clock, so we will handle that as we see best here.

So what we have been doing over the years is trying to establish a biological working plan that feeds enough water into those minnow ponds. I can tell you, while this is not an issue that should be at your level, if you were from that State, it would be at your level. We have now had to transfer thousands of acre feet of water from our reservoirs to try to make the water run all the way down there.

Now, I have submitted on behalf of a governor of an Indian tribe that abuts on this river and myself a request to the Bureau of Reclamation, Corps of Engineers, and Fish and Wildlife Service that they do something unique. That they bring the minnow to the water, instead of the water to minnow because this stream upstream has water all the time. We have suggested that alongside of it on Indian land, with their permission, we establish a sanctuary and that the minnows be put in the sanctuary. The minnow will then be able to live there without us having to move the river all these hundreds of miles to get to those lower river ponds.

Now, Madam Secretary, I just want you to know that there is no more important issue to the people that live on that river. That is Albuquerque, that is all the communities along that river, and almost all the middle New Mexico agriculture that there is. They would cheer if there was some way to protect the minnow with a minimum waste of water.

Now, I know that the technical people do not like innovation and I know they are not going to like this, but I would ask you if you would make sure that it is being given appropriate attention and that it gets up to your office before they tell us that we cannot do it. I am willing to ask my Senators to alter the law if something has to be done because I see no way of this being anything but a plus. Okay?

Secretary NORTON. Thank you. Mr. Chairman, it is my understanding that there is an analysis underway.

The CHAIRMAN. There is.

Secretary NORTON. I will be happy to take a closer look at that.

The CHAIRMAN. I appreciate it.

Secretary NORTON. I appreciate your ideas.

The CHAIRMAN. I think if you would tell them that this is something that deserves serious attention and you do not want them to waste so much time, that would be enough for me.

Now I want to talk about Healthy Forests for just a minute. The Forest Service held a meeting with all of its forest supervisors and spent a great deal of time explaining the administration's expectations on implementation of the Healthy Forests Restoration Act.

Now, Madam Secretary, that is not your Department. That is Agriculture. What has your Department, the Department of the Interior, and the Bureau of Land Management done to inform your field managers as to the Secretary's expectations for implementing this important legislation? Have you established targets for each of your State directors and managers, and if you have, how many acres do you expect to accomplish in fiscal year 2004?

Secretary NORTON. That is something where we have a lot of attention focused on exactly how much fuels treatment is taking place. It is something that we did not have when I took office, but we now have a good system for tracking that. We anticipate 1.1 million acres for 2004. If you look at both Interior and Forest Service, that will be 3.7 million acres.

The CHAIRMAN. But what I want to know is if one of these Senators goes to their home State and there is a field director and they go up and ask them, we do not want them to tell us, well, we have not been told what the plan is for our State, for the State we are in. We go up the road and talk to the Forest Service and they will tell us they have got the plan. All I am saying is would you please be sure that in many States where the BLM land is as important as the Forest Service land in this regard, they know what they are doing with as much certainty and workability with the constituents as the Forest Service.

Secretary NORTON. Thank you very much, Mr. Chairman. I can assure you we have had a lot of training that has been done. We have guidance that has gone out. I have seen guidance as it has gone out on a number of different topics. I have personally visited sites. I was just at one in Nevada a few days ago. So we are really getting the word out to people in the field that this is very important.

The CHAIRMAN. Now, with reference to this but on a little bit of a side issue, New Mexico has literally millions of piñon junipers. Thousands upon thousands of them are dying. I would like you to provide us with, if you do not have one, would you go to work on some kind of strategic plan for treating these areas of mortality as soon as practicable? Can you do that for us?

Secretary NORTON. I would be happy to look into that and see what our status is on that.

The CHAIRMAN. I would also mention to you that in the same realm there are thousands of acres of private and State land that are suffering what we would call catastrophic mortality. Are there

any programs in the Department that they can look to for help or that we can work together with the private sector on? If there are not, I would just like an answer. If there are, what are they? If you have some way of telling us that there could be if we would do something, then we would like that kind of response.

Secretary NORTON. We would be happy to provide that information. For the most part, we are trying to work from the bottom up on our fuels treatments and give the opportunity for communities to be involved in our planning process since we really want to get the communities that have those fire dangers involved.

The CHAIRMAN. Thank you, ma'am. I have two questions left. Then I will yield to Senator Bingaman. I have some detailed questions about oil and gas issues and leases, but I just want to ask you a couple of general ones.

We have continually attempted to say to you and your Department heads that have charge of public lands wherein there might be or there is oil and/or gas that we are not trying to change any laws. We continue to hear from our constituents that the process of permitting is still very slow. They tell us that when we say we are running out of natural gas. And we are. But they tell us we could produce a lot more, but it is taking too long.

Now, ma'am, I want to know in all honesty, forgetting about the budget—if you want to tell it to us privately, fine—do you have enough people to do this job or not? And do you have enough people that are trained or trainable to do this job?

And secondly, have you tried anything new to make this job more workable?

We have all been talking about changing the law so there would be centers for perfecting the permits so you will not go one place for the initial permit, another place for the rest, but do it all in one or two or three centers. In fact, we had in the energy bill three or five centers I think, Senator Bingaman.

Could you just address generally this issue? Frankly, we are going to hold you to this in terms of who is responsible for the delays.

Secretary NORTON. We have been looking at that issue with a great deal of attention because we have also been hearing concerns about that.

First of all, we are improving the process that we have been using. That improvement has not been completed. We are still doing some additional analysis about how to do improvements. But, for example, I have heard of situations in the past where we had two different wells being drilled from the same pad and yet they did separate environmental assessments for each of those. That does not make sense.

We are now consolidating things so that we work on a geographic area basis and look more broadly doing one set of analyses and consultations in order to clear more of the applications at the same time. So we are trying to work smarter.

We also have increased staff in some of the areas that have the highest number of applications going forward.

There are a number of areas where we had to do a land use plan or other environmental analysis, a major document and study, before we could go forward with processing individual applications.

And in a number of areas, we have now reached the point where those major studies are done. In some areas, it still continues to be held up by litigation. But in several areas now, we are able to move forward with processing the applications.

For example, in the Powder River area of Wyoming, I believe we have processed now 600 applications for permits to drill since October. So we are moving forward in a number of areas.

Overall in the last 3 years, we have processed over 10,000 applications for permits to drill, and the BLM has established the goal of a 35-day time period for processing an application. It was 58 days in fiscal year 2002.

The CHAIRMAN. Well, I just want to say a goal is one thing, and the achievement is another. So it will be interesting to me if you have a goal, but if you would give us some idea of what it really is. You might have a goal of 38, but it still may be 48. If you could have somebody do a survey and tell us, it would make me feel a lot better because they are still telling me that the delays are not 38 days. Thank you very much.

Senator Bingaman will question the Secretary and we will go vote and return shortly. Thank you, Senator Bingaman.

Senator BINGAMAN. Thank you very much, Mr. Chairman.

I appreciate, Madam Secretary, your statement that you will look into this problem of lack of responsiveness.

Let me mention one other issue that I also mentioned in my opening statement and that is these budget justification documents. In the case of the other agencies that I am familiar with, we get these at the same time we get the President's budget. Now, we got them from the Bureau of Reclamation. We got theirs. That is the one I am holding right here. We have still not received budget justification documents from the Park Service, from the BLM, from the Wildlife Service. We get those from the Department of Energy which comes before this committee. We get those for all the other agencies that I have dealings with.

Could you also look into that problem and figure out how we can get these documents in a timely manner?

Secretary NORTON. I would be happy to look into that, and let me ask John Trezise who is our Director of Budget. I apologize I had failed to introduce him. Let me ask him to reply.

Mr. TREZISE. Senator, I can only apologize that all the justifications are not here yet. We have been working very, very hard with the bureaus and the Office of Management and Budget to get them completed. The Park Service and Fish and Wildlife Service justifications I believe will be going to the printer.

The CHAIRMAN. I can just barely heard you. Maybe you could pull that up or push the button or something.

Mr. TREZISE. The Park Service and Fish and Wildlife Service justifications will be going to the printer very shortly.

The challenge we face is that we have such a broad multitude of programs. We have more accounts than any other domestic agency. The justifications in total, when they are published in the hearing record of the House Appropriations Committee, run to 4,000 pages. It is a very difficult task. It has to be accomplished in a short period of time. We are trying to do better.

Senator BINGAMAN. My impression is that previous administrations have done this. I am informed by the committee that the norm is for us to get these. It is just the last couple of years we have not.

Mr. TREZISE. Senator, I do not believe that is the case. This is my 13th or 14th budget, and I think that this has been a consistent problem that we have had going back as long as I have been involved in this process.

Senator BINGAMAN. Well, I hope you can get it resolved some way or other because it makes it difficult for us to meaningfully question you about the budget if we do not know what the justifications are at the time we have these hearings.

Let me ask on the Middle Rio Grande. Obviously, this is of concern to the Department. I have a copy of your Water 2025 and it is listed with Klamath Basin as a major problem area. I am concerned that the reclamation 2005 budget proposes to cut \$9.5 million from the Middle Rio Grande which leaves only \$5 million for ESA compliance efforts there. This is in drastic contrast or significant contrast to Klamath Basin where the budget proposes \$67 million among the various Interior agencies to address the water issues there. Both of these areas are listed in Water 2025 as high priorities, and the estimate I have seen from your own Department says that to comply with the 2003 biological opinion, which you have agreed to comply with, it is going to cost \$233 million.

So how do we get from here to there if we are going to cut the budget by \$9.5 million?

Secretary NORTON. As it currently stands, we have funding in the Bureau of Reclamation that should be sufficient to comply with the biological opinion for this coming year. We include costs of leasing water and other funds. There certainly is an eligibility to use some of our other funding for the Middle Rio Grande area. I have talked with the mayor of Albuquerque about some of these activities. I have been involved in getting briefings on this. So this is something that we see as a high priority.

Senator BINGAMAN. Well, I will be amazed if you can comply with that biological opinion with the amount of money you have asked for, but we will continue to monitor that.

Let me ask also, in the Land and Water Conservation Fund Act, there is a requirement that no less than 40 percent of the expenditures from the Land and Water Conservation Fund each year be used for Federal purposes that are defined as Federal land acquisitions. Now, your budget proposes considerably less than that for Federal land acquisitions. Am I missing something here? Is this just an ignoring of the legal requirement? Am I misreading the legal requirement? What is your view on that?

Secretary NORTON. Congress has over time funded a number of different programs out of the Land and Water Conservation Fund. As we look at the question of land acquisition generally, with the overall goal being making sure that we are taking care of natural resources, protecting habitat, and improving the land, we find that through our grant programs, for example, we can restore many acres of land for the cost of purchasing the land. In essence, when you look at protecting land by acquisition, we have to pay the acquisition price and then we have to pay whatever it takes to re-

store the land. Through our grant programs, we are able to not have the acquisition price but spend only what it takes to restore the land. So we really can have a much bigger impact.

Senator BINGAMAN. But you are basically explaining why you do not agree with the law, the legal requirement that 40 percent of the Land and Water Conservation Fund should be used for Federal land acquisitions. And I can understand that argument, but I guess my concern is that it is the law. The law has been passed and signed by the President and it says 40 percent—not less than 40 percent shall be used for Federal land acquisition. Now, why does your budget not reflect that?

Secretary NORTON. We do not have the needs, as I assess them, to acquire that much additional land. We have to take care of what we have, and that is our main priority.

Senator BINGAMAN. So you think that you can ignore that requirement because it is your view that it is not an appropriate requirement.

Secretary NORTON. It is essentially question not of my administrative discretion on spending money that has been given to me by Congress, but a question of what Congress appropriates. So the question is one for you all, in terms of the money that has been appropriated. We have certainly appropriately used the money that has been given to us.

Senator BINGAMAN. But your recommendation to Congress is that the Congress not comply with that law.

Secretary NORTON. Our recommendation is that we follow the proposals that we think are very sound ones for using the money under the Land and Water Conservation Fund funding to do the best things for environments and protection of our lands.

Senator BINGAMAN. Well, we are about to finish a vote, so I need to go to the floor like all the other members have. So I will put the committee in recess for a short period, and then I am sure one of them will pick up on the questioning. Thank you very much.

[Recess.]

Senator CRAIG [presiding]. We will ask the committee to come back to order.

Madam Secretary, for the sake of your time and ours, we will continue with the questioning in response to your budget presentation. With that, let me turn to my colleague, Senator Johnson.

Senator JOHNSON. Well, thank you, Senator Craig, and thank you again, Madam Secretary, for accommodating our schedule here today, as disrupted as it is.

Due to the degraded images from the LANDSAT 7 satellite, data sales have, as you know, sharply declined. While we work to replace the hardware—and we will do that—it appears that the lost data sales are going to result in about a \$5 million shortfall in funding for the EROS Data Center outside of Sioux Falls, South Dakota.

What is the Department of the Interior doing to replace that funding, and how are we going to ensure that we do not wind up with a situation where we lose our technical capabilities and the technical expertise at that facility during this interim period until we can get the new satellite up and going? How are we going to

deal with this so you do not wind up with this sort of pulling up by the roots the technical capabilities and expertise at that facility?

Secretary NORTON. It is certainly a big concern for us. I have seen the degraded images myself and it is very frustrating that a glitch in the computer system of a satellite is so difficult to fix and has such a tremendous budget effect for us.

You are correct that the budget shortfall, because of the decline in data sales, is about \$5 million. It is \$5.1 million. We are anticipating covering that through a reprogramming. I do not think that that has been presented yet, but we are anticipating looking at that.

For the longer term, I have met with leaders in the satellite imagery industry. We have talked about the long-term future of that. It is something that makes sense certainly for us as a country to have those wonderful tools available to us. Obviously, there is a very significant military component to that. We want to work to have an overall approach to that that makes sense, but that is also a very expensive proposition. So we look forward to continuing to work with you both on the current year funding and on the future.

Senator JOHNSON. Do you feel that a reprogramming can take place which would fully replace this lost revenue for now?

Secretary NORTON. Let me defer to John Trezise on exactly what the details are on that.

Mr. TREZISE. Senator Johnson, for 2004, we are fairly confident that we can accomplish a reprogramming without harming other Geological Survey programs. The Mapping Division of the Survey is in the process of some rebuilding/restructuring that will enable it to, in the short term at least, address this problem in 2004.

Senator JOHNSON. I certainly appreciate your proactive work on this.

One follow-up observation is we have been trying to do what we can on the appropriators side, which is another hat I wear, to see if there is anything we can do that way to augment the resources that are available to you. In discussion with our friends in the House of Representatives side, they requested a report from Interior to detail the scope and impact of the lost data sales, and so we are little held up until that report is concluded. I wonder if there is any progress being made on that. I would think that would probably be useful to you internally anyway, but I wonder the status of that.

Mr. TREZISE. Senator, once it was determined that the scan line corrector could not be fixed, the Survey began a market test to attempt to see what market there was for degraded data. That test is still going on.

They are also doing some work on producing enhanced data that will match several degraded shots in a way that for some users at least we can produce more useful data. That work is going on now and we will be reporting to the Congress on the results.

Senator JOHNSON. Very good. I appreciate your work on that and hope that we can remain in very close communication as we progress on this issue.

Thank you, Mr. Chairman.

Senator CRAIG. Senator, thank you very much.

Until other colleagues get here, I will stick to the order, but it gives me an opportunity, Madam Secretary, to visit with you for a few moments.

Again, let me thank you for your overall budget effort, especially in the healthy forests area. Obviously, we collectively and the agency spent a good deal of time the last year both with your agency and the USDA and the Forest Service and the administration in getting that legislation together. Now we need to get active on the ground, as you know.

Having said that, I am a bit frustrated in a flat or slightly declining budget as it relates to rangeland management. While monitoring is important and the permitting process is in a backlog, there is another aspect of rangeland management that is declining in this budget and that is the non-smoking wildfire of BLM lands and Forest Service lands in the West. It is called weeds.

We have vegetative deserts out there because of invasive weeds that have taken over and killed all of our grasses, are accelerating erosion because that dominant species does not even allow livestock or wildlife. Hundreds of thousands of acres are infested every year. We have started a variety of initiatives to get going on it. We have an initiative in Idaho that you have been helpful with in the past. We are finally beginning to see not wiping it out but in some instances just kind of, if you will, apprehending or at least slowing the spread.

It is an issue that is becoming very sensitive in the West amongst livestock growers but amongst the environmental community too. Finally, they have awakened to the reality of weeds. They too understand that millions of acres are now infested in invasive weeds in a way that is every bit as bad as a fire going through and wiping out a habitat.

I would hope that we could see some improvement there, and yet that is a flat-liner. In fact, it is a declining budget.

Secretary NORTON. Mr. Chairman, we have for the first time put together cross-cut budgets on all of our invasive species activities. We have a very active interagency council on invasive species to work across the various Departments. Our budget overall this year is \$58 million for invasive species throughout Interior. It is a serious concern. One of the reasons that the land acquisition budget is something that I am not reaching out to do more and more of is because we need to stem the tide of invasives on the land we currently have responsibility for.

We are going to be holding a conference in March that will address one of the invasive species that causes us a lot of concern and that is salt cedar, or tamarisk. That is a tree species that grows along many of our riverfront areas. It is a contributor to lack of water availability because it sucks up more water than the native vegetation. So we are looking at ways across Federal agencies, public and private, local governments to combat that. So in a number of areas, we are moving forward to combat the spread of invasive weeds.

Senator CRAIG. Thank you. I will have other questions, but our colleagues have arrived back. Let me shift into that order and turn to Senator Craig Thomas of Wyoming. Senator?

Senator THOMAS. Thank you, Mr. Chairman.

We just voted to reduce your budget in half.

[Laughter.]

Senator THOMAS. I am kidding, of course.

Secretary NORTON. Good. You never know what you guys are going to vote on.

Senator THOMAS. Madam Secretary, in the park budget, there is a million dollar increase I believe, but it indicates \$1.1 billion set aside for maintenance backlog. Now, is that going to leave adequate operating funds?

Secretary NORTON. We have looked at our operating funds, our base funding for the various parks and actually have an increase in that area. That is something that is there for the park superintendents to use for their priority needs. Most of the reductions were as a result of earmarks that were removed. They may have been one-time projects or for other things like that, and there were \$22 million of those activities that were removed from last year's budget.

Overall, I think that the maintenance backlog is one of our biggest challenges and we now have in place the tools to be able to manage that well and have devoted the funding to taking care of that.

Senator THOMAS. That is good, and you have your priorities set as to where that goes.

Secretary NORTON. Yes, we do. We have projects identified.

I should also mention we have the Natural Resource Challenge also has been increased and that focuses on the biological sides of our national park resources, making sure that we are taking care of the natural side of the parks at the same time we are also taking care of the maintenance challenges.

Senator THOMAS. Well, as you know, we have been having a little fun with the endangered species, wolves specifically and grizzly bears lately. But I notice the budget indicates that the increase would be for listing and the decrease in de-listing. The fact is that there are between 1,200 and 1,300 listed species and only 15 recovered. It seems to me your priorities are absolutely backward on that.

Secretary NORTON. That, as you know, is a very litigation-intensive area. In the listing side of our budget, we have many, many lawsuits that are requiring that we comply with the deadlines in the act on listing species.

On the recovery side, which is extremely important, we are moving toward cooperative approaches on recovery. This year we have requested increases in funding for two of the programs that I think are the most successful opportunities for the future. That is the landowner incentive program which we are requesting \$50 million and the private stewardship grant program where we are requesting \$10 million. Those are ones where we work with local communities, with private landowners, and so forth to recover habitat for threatened, endangered, and at-risk species. Those are great programs because they have people enthusiastically participating and not with the usual very conflict-oriented approach that we see in some of our other endangered species areas.

Senator THOMAS. Well, it seems like it is pretty obvious there is something systemically wrong with a system where the idea ought

to be to recover species and there is very little effort on recovery. Grizzly bears. We have had beyond the number for 10 years. They are still not recovered. They still are not delisted. But you continue to list. I just think there are some real problems in that program. Quite frankly, States like ours and yours feel this pretty strongly, and it has a lot of impact on our economy and other things that we do.

Secretary NORTON. We have had great success that we want to replicate in some other areas. A couple of successes. In Idaho with the slick spotted pepper grass is not being listed because of conservation efforts. We also have the mountain plover in Colorado that, by working together with the Audubon Society and farmers, we are able to protect the birds without having to list them under the endangered species program. So we have got some great things that are going on in recovery and in our areas to try to help species.

Senator THOMAS. We have had some things like Preble's jumping mouse that have not even made sense.

Finally, the wild horse thing I already mentioned. It is one thing to be able to gather, and that is what the Department is always proud of. We gathered the horses. They do not have anything to do with them after they have gathered them except rent them out to somebody for \$20 a month or whatever. There has got to be some sort of solution to that, and we do not seem to be making any progress.

Secretary NORTON. We are trying to get ahead of the curve. They are reproducing at about 20 percent a year out on the range, and so we want to get their population levels down to something we can maintain. We are working on fertility controls.

You are correct. We have a huge problem of keeping them in pasture when we pull them off the range. We have been trying to adopt them out and we are looking at more efforts to enhance that. It is a tough issue. We have a \$12 million reprogramming that we are looking at this year so we can try to get ahead of the curve on the populations. We would really like to work with you on trying to solve that problem.

Senator THOMAS. You might look at qualified adopters, who should be able to take more horses than they do now or do something that is different.

Secretary NORTON. We are interested in looking at that.

Senator THOMAS. I know it is a difficult issue, but on AML—Abandoned Mine Lands—I have to confess to a little concern that policy has been established without paying much attention to the States that pay the most into it. This idea that you are going to pay the monies back, but funding still has to be appropriated apparently. It should have been paid before, but it has not been appropriated.

Now, what does your budget do to ensure that the money that has not been paid to Wyoming, \$400 million, is going to be paid?

Secretary NORTON. You are correct that that is subject to appropriation.

Senator THOMAS. But we need to change that. Why should it not be just like mineral leases, for example, where half goes to the State? That is what the law says, but it does not go there.

Secretary NORTON. We have in our budget requested the amount that would go to the States under our new approach, and we do look forward to working with you to try to address that.

Senator THOMAS. Well, you might have suggested changing the law sometime as well if it is not working.

I would like very much to see a breakdown of how the money has been spent, for instance, in Pennsylvania since 1977. Do you think you can provide that?

Secretary NORTON. All right. We would be happy to.

Senator THOMAS. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. It looks like Senator Campbell is not here, so Senator Craig?

Senator CRAIG. I was able to get a question in and I have a couple more, Mr. Chairman. So thank you very much.

I too, Madam Secretary, am concerned about the wolf and our ability to get it into a State management plan or multiple State management plans and delisted. We think we have 30 plus wolf packs in Idaho today. They are devastating our elk and deer herds at an unprecedented rate. While some would accept that as normal, a good many of us think that that has now gone beyond where it ought to be.

I understand your difficulty with Wyoming. I hope you can work it out. I mean, Wyomingites were honest when they called the wolf a predator. It is the supreme predator, and I understand there is a little difficulty in the way it would be proposed to be managed in Wyoming under that definition. I hope we can get that corrected in a way that brings the three-State area together into a management scheme where the States can get the wolf population in a manageable controlled environment.

Having said that, I do appreciate the cooperative kind of work that has been done on slick spot pepper grass. While that is humorous and we understand that, it has the potential of being what the minnow is in New Mexico. It could shut down vast acreages of public grazing land and other areas of our State. Thanks to your leadership, and the leadership of our State director in Idaho, we are hopefully going to get some balance there and work that out to save the slick spot pepper grass.

Having said that, in the fiscal year 2005 budget request, your Department proposes instituting a cost recovery program for BLM activities, including the processing of hard rock mining applications. I am disappointed that the Department's attention would be more on, if you will, generating revenue from the activity than on fixing it. I say it in the context because in 2001—I don't know that I pronounce this correctly, Madam Secretary—the Behre-Dolbear study looking worldwide at regulatory environments for mining activities. The regulatory process in this country is the most inefficient of all of the countries studied. We were dead last. This study, I would suggest, is an embarrassment to our country unless you hold the attitude that mining ought not ever go forward again. Bureaucracies have beautiful ways sometimes of ignoring the law by simply encumbering the process to a point where it does not happen anymore and costs incur and people go away.

And they are going away. Mining in the lower 48 States and in Alaska is declining at the same rate that oil and gas exploration

and development declined a decade and a half ago, and now most of our production companies are overseas. That will happen in mining as it has in oil production. We will develop the same kind of dependency on foreign resources, and shame on us.

That blind, silly attitude out there that has dominated some public policy in this area is wrong. We know we can do it in an environmentally sound way. The Clean Air Act, the Clean Water Act and all of the dictates, mining application and a management development plan today are environmentally sound approaches toward a critical resource.

What is the rationalization for instituting cost recovery for a process within your Department that is so fundamentally broken?

Secretary NORTON. Senator Craig, as you have identified, there is very little mining going forward in this country at this point. We have addressed one of the concerns that we heard through the mill site opinion.

Senator CRAIG. Thank you.

Secretary NORTON. So that is one step that we have taken to address a misinterpretation of the law.

The proposal within our budget is to apply the Consumer Price Index to the mining fees and that is required under the Omnibus Budget Reconciliation Act of 1993. So we are applying the formula that is required in the statute.

Senator CRAIG. Is it not the Department's obligation to institute better management practices and create a timely mechanism for these applications prior to looking at, if you will, cost recovery schemes? I mean, it is part of the very thing we looked at in trying to formulate an energy policy in a central location for application and licensing.

Secretary NORTON. We have been focusing on the energy side of things to make sure that we understand how to appropriately handle processes as well as on the Healthy Forests side of things. There are some aspects of that that can be applied to other areas.

The mining applications tend to be more site-specific and do not have the same sort of numerous applications that are very, very similar like we see, for example, with coal bed natural gas wells. So there are some things that are unique to mining.

Senator CRAIG. Well, I do appreciate that. I think you are probably familiar with the recommendations made by the National Research Council in 1999, the report on hard rock mining on Federal lands. In one of its primary recommendations, that report urged Interior to plan for and implement a more timely permitting process. I guess the question there is, has the Department analyzed the NRC report recommendations and have you moved on any of those toward implementation?

Secretary NORTON. I would be happy to provide an answer for the record.

Senator CRAIG. Okay. Thank you very much.

Mr. Chairman, thank you.

The CHAIRMAN. Thank you, Senator.

Senator Smith.

Senator SMITH. Thank you, Mr. Chairman.

Secretary Norton, welcome. It is nice to see you.

I would begin my remarks, Mr. Chairman, by asking that my statement be included in the record as if read.

The CHAIRMAN. That will be made part of the record, Senator.  
[The prepared statement of Senator Smith follows:]

PREPARED STATEMENT OF HON. GORDON SMITH, U.S. SENATOR FROM OREGON

Mr. Chairman, as the Senate begins its deliberations on the President's fiscal year 2005 budget request, I appreciate your convening this timely hearing to review the Department of the Interior's budget. I also want to welcome Secretary Norton to the Committee today.

Madam Secretary, I want to thank you and the entire Administration for your ongoing commitment to the farmers and ranchers of the Klamath Basin, and to a successful resolution of the difficult issues that the stakeholders in the Basin have been grappling with for years. I was very pleased that the President's budget request provides over \$100 million for activities throughout the Klamath Basin.

I want to ensure, however, as we move forward with the fiscal year 2005 appropriations process, that the Congress and the stakeholders in the Basin have an explicit understanding of how certain proposed actions are going to be credited against the Endangered Species Act-obligations of the federal project, and whether these actions will help to restore flexibility to project operations and certainty to the irrigators.

I realize that there need to be constraints on federal spending, but there are a number of other watersheds in Oregon facing pressing water problems. I hope to work with my colleagues to provide funding to authorized projects in Oregon, including the Tualatin Basin feasibility study, the Westland Ramos Project, the Deschutes Resources Conservancy, and the Bend Feed Canal. None of these important programs are included in the Department's request.

I want to commend the Administration for including funds for forest management in the O&C lands of western Oregon. These lands have a unique statutory requirement for timber production that has gone unmet. These funds will help this Administration meet the timber promises of the Clinton Administration to rural Oregon.

Again, I want to thank you, Mr. Chairman, for convening this timely hearing. I will have a number of questions for the record, and I hope that we will receive the Department's answers in the near future.

Senator SMITH. Madam Secretary, thank you for including in your budget substantial resources to help continue to resolve the issues in the Klamath Basin. I think that is a credit to you and our President and I know all the stakeholders are grateful for the attention and the dollars that back up the commitment.

Also, I appreciate that your budget includes dollars for managing the O&C (Oregon and California) lands in Oregon. President Clinton made many promises as to harvest and management of those lands, and you are putting the dollars now behind them so that it will actually receive some action. I thank you, and a lot of people looking for jobs thank you.

A couple of issues I simply want to bring to your attention. One is the Klamath. You may be aware that for a long time they were told to put in screens on the A canal. This has been done. It is a magnificent installation. I am wondering if you are aware of any operational flexibility that has been restored to the project because these screens are now in place.

Secretary NORTON. My understanding is that that gives us more flexibility overall as to our other improvements in habitats, as we expect to see with taking out the Chiloquin Dam and restoring 70 miles of endangered fish habitat because of doing that. It may not show up as directly translating in terms of water levels and water available for irrigation, but it certainly gives us more cushion to deal with the needs of endangered species in a way other than just cutting back on irrigation water.

Senator SMITH. My sense is that it has given them substantial additional flexibility but that that flexibility is not necessarily utilized yet. I just throw that out as an observation. If I am wrong, I stand corrected, but it is certainly something the Department may want to look into, as well as whether or not the Fish and Wildlife Service has developed a water management plan for the refuges yet in Klamath. I am not aware of that having occurred and just simply urge that that actually happen.

Also, there used to be in the Bureau of Reclamation a small loan program and a rehabilitation and betterment act that had dollars that could be utilized to help resolve some of the difficult water problems in the Western United States. It is my understanding that these were not used by the last administration and I am really asking if these programs be reactivated or updated in a way to provide tools and resources to resolving water problems in the West? There are two programs, the small loan program, and the rehabilitation and betterment act.

Secretary NORTON. Senator, I would be happy to take a look at those laws to see if there might be some aspects of those that would make sense. That sounds quite similar to what we are trying to do through our competitive grant process under Water 2025. That allows us to look essentially across the West at those areas where an irrigation district might be providing more irrigation efficiency and thereby free up more water for municipal use. It really lets us look across the West at what can give us the most for the money that we invest in helping address future water needs.

Senator SMITH. My only criticism of that program, as I understand it, is only \$8 million last year was utilized for water projects. It just seems to me that there may be some other tools, and resources in these programs that could and should be utilized to the same end. So I just throw that out for your consideration.

Finally, I want to bring to your attention the Tualatin project. It is a Federal reclamation project. It is an area experiencing a lot of suburban growth, competing with irrigation. There is a wonderful local partnership between urban and rural interests that has developed and worked out a plan. We have authorized that plan to go forward. I know you cannot do everything, but there was nothing in the Department's budget request to fund that study even though the locals are putting up 50 percent of the cost.

I simply want to bring this to your attention. It is an area where there is a wonderful local solution that is being proposed which will otherwise, if it does not happen, leave the Tualatin Basin very much water constrained by 2011. So I throw that out for your consideration and thank you for any attention you can give to that study because that has to precede any development.

Secretary NORTON. Thank you.

Senator SMITH. Thanks.

The CHAIRMAN. Thank you, Senator.

I understand now that we have Senator Akaka and then Senator Murkowski. I wonder if, Senator, do you have enough time to stay for 10 minutes?

Senator MURKOWSKI. Yes.

The CHAIRMAN. I am going to just wrap up a question and then yield to you to finish the hearing. I have to go see the Secretary of Health and Human Services for just a little bit.

In my absence, Senator Bingaman asked a very pointed and specific question regarding the Middle Rio Grande in New Mexico, the Middle Rio Grande ESA Work Group. You have about \$14 million in the budget, which is a 45 percent cut. Remember when I was explaining the river and the sanctuary. You have got to continue with the plan while you look at something new, and I challenge your statement that you have enough money for the plan for this coming year. Now, if there is not any money, we are stuck with a biological plan with no money to rent the water. So I would ask if you would double check whether you have enough funding for the Rio Grande ESA project. Would you do that please?

Secretary NORTON. Mr. Chairman, if I can make sure that I am accurate on something. First of all, as to our funding to meet the commitments of the biological opinion, we have been assured that that funding is sufficient. It does depend on the water conditions and if there is a continuation of the serious drought that we have seen, then reprogramming would be something that we would entertain to make sure that we do have appropriate funding there.

There are some aspects out of the cooperative program that were a congressional earmark and those have not been continued.

The CHAIRMAN. Well, if we have to, we will earmark ours, but we have to find out the reality of it. We understand that every year it looks like you have got enough, but there are litigation expenses that come in and then we never end up with enough and we have got this ESA to comply with. So if you would look at that, based on history, we would appreciate it.

Secretary NORTON. It is also my understanding the Commissioner John Keys is going to be meeting with you to address that in more detail.

The CHAIRMAN. That is correct.

Madam Secretary, I want to just lay one other issue before you. I try to bring as many issues as I can that I consider of big, big importance. You probably know that in the United States right now one of the most significant areas for the production of natural gas is on public lands in the so-called Four Corners area, in the Farmington and surrounding areas. As a matter of fact, that is one-ninth of America's production now, and there is currently a conservation order that wherever there is one well, you can move over and drill a second right in the same area. So it is very easy.

But there is budding within the area a fight that we have never seen before. The farmer-rancher is joining forces against drilling of wells on the basis that they have a claim that must be protected, that is, the surface rights. I would tell you that there is a chance that if this gets out of hand, that this area will not be drilled in any timely manner. I would think somebody of real understanding should be assigned to try to solve that problem. I would ask you if you would look into it. You have got a BLM regional person who is really good. You brought him in, et cetera.

But I keep reading stories and I would hate to see the project which is among the areas in the country that will really produce natural gas delayed. Like I told you, it is not like having to go find

it. It is there. I would hate a fight between those who used to be brothers to occur without us knowing what is going on.

Secretary NORTON. Mr. Chairman, we have now required that the companies have an agreement with the surface owner, and if they cannot reach that agreement, that they post a bond to cover the cost of that. We have been a lot tougher on making sure that communication takes place between the surface owner and the energy developer.

We certainly want to continue working forward on that. We have had a conference to look at best management practices and how we can improve things so that we are minimizing the visual effects, the water effects, all of those kinds of things.

The CHAIRMAN. I did not want to leave the impression that one side is right or the other more right or wrong, but I do believe that you do not want to go with one side or another with more pressure. We need the oil. We need the gas. We just certainly do not expect those with the private surface rights to just think that as a right, they can prevent it all. I think under your leadership that will be balanced, and you are telling me that in your answer, if I hear you right.

Secretary NORTON. We want to work to see that we can have both the energy production that we need and also protect the interests of the surface owners. By getting them to communicate, we think that is the best approach.

The CHAIRMAN. Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman. I want to thank you for calling this hearing so promptly.

I want to say aloha and welcome to Secretary Norton and Assistant Secretary Scarlett.

I have some questions about the Land and Water Conservation Fund, also on Compact Impact Aid, and also on the Department's invasive species initiatives. I also have questions that I would like to submit for the record, Madam Chairman, about the U.S. Park Police protection around Federal monuments, as well as your Department's outsourcing efforts.

Senator MURKOWSKI. They will be in the record.

Senator AKAKA. Thank you, Madam Chairman.

The Land and Water Conservation Fund, as we know, is a primary means of land acquisition for the national parks and refuges. And I realize, Madam Secretary, that you have a full plate and you have a lot of decisions to make and that hard decisions have to be made on the allocation of funding. We hear about these decisions through questions to you. I want to add another one.

I see that over \$130 million of the Department's LWCF funds are requested for programs and also understand—and you can correct me if I am wrong—that these are not authorized under the LWCF. I also noted that the 2005 budget does not include funding for the expansion of Hawaii's Pu'uhonua O Honaunau Historical Park that was enacted in 2002.

So my question to you is to get a reading of where that historical park ranks in the budget lineup and when you expect to request the funding.

Secretary NORTON. Senator, I would be happy to provide some information about those specific proposals and where they are in the Park Service overall ranking.

I do want to make clear something that we do not often focus on, that there are a number of other ways in which the Federal Government provides money for land acquisition besides just the Land and Water Conservation Fund. Those tend to be focused on the wildlife and habitat areas of acquisition and on State-side kinds of programs. But we do have funding, the Migratory Bird Conservation Fund, of \$43 million. We have several hundred million dollars apiece for our major funding programs for wildlife and for fisheries. So there are a number of other ways in which we do provide funding to States and to Federal agencies for land acquisition.

Senator AKAKA. I did not mention it, but I wanted to tell you how much I appreciated your presence out there in Hawaii and our neighboring jurisdictions in the Pacific. I know the people out there really appreciated your visit.

Secretary NORTON. We greatly appreciated that as well.

Senator AKAKA. I thank you for working closely with me and with our delegation on issues of importance to the people of Hawaii and the Pacific. The progress we have made on the Compact Impact Aid I feel was good. I worked well with your staffers out there, and I think we accomplished quite a bit and especially that it was timely. So all of that was great. All of that reflected the relationship of the people out there and with your Department. So I continue to look forward to working with you to pursue the efforts to extend also the Federal policy of self-governance and self-determination for Native Hawaiians.

While we have accomplished much, Madam Secretary, with respect to the Compact of Free Association, there is, as we know, still some more to do. I am pleased that the 2005 budget includes \$30 million in mandatory funding for Compact Impact Aid for the affected areas of Hawaii, Guam, and the Commonwealth of the Northern Marianas.

However, it is my hope that communications between the Office of Insular Affairs and Hawaii's Congressional Delegation will be better in 2005. Let me explain that we have worked closely together, but I was disappointed with the manner in which the Compact Impact Aid for 2004 was handled, as I said, by the Insular Affairs Office because we were not provided with the notice of the results of the census of FAS citizens in Hawaii, nor were we consulted about the division of funding for Compact Impact Aid.

In addition, I was informed only yesterday that the \$10.5 million in fiscal year 2004 funds to be received by the State of Hawaii would be subject to new semi-annual reporting requirements. This is one example of OIA not being forthcoming about changes they are implementing as a result of the 2003 amendments. An issue of this magnitude requires better communication and improved collaboration, and a field meeting with senior level staff would certainly help to address this matter.

So my question to you on this is, what assurances, Madam Secretary, can you provide that this working relationship and communication and collaboration will improve with Hawaii's Congres-

sional Delegation with respect to the issue of Compact Impact Aid funding?

Secretary NORTON. Senator, I would be happy to arrange for the head of our Office of Insular Affairs to meet with you and to discuss that. As you know, it is a fairly automatic formula based on the population census of immigrants from the Freely Associated States, and the \$30 million is divided between Hawaii and the territories on that basis. So we do have a predictable formula now for the amount and will look forward to working with you on the utilization of that and making sure that that process operates well.

Senator AKAKA. Thank you very much for that.

Also, I understand that the census which was used to base the distribution of funds in fiscal year 2004 will be used for the next 4 years. As history has shown over the past 18 years, the population of FAS citizens changes drastically in the affected areas on an annual basis, and I am concerned that the numbers from the last enumeration will no longer be valid, but we will have to see how that goes.

What will the Department do to address this matter, and would you consider conducting an enumeration more frequently than every 5 years, perhaps even annually?

Secretary NORTON. Senator, I am not sure what the cost is for doing the census, and I do not know the exact answer to your question, so I will be happy to provide some more information for you for the record.

Senator AKAKA. Maybe we can further discuss that.

Let me then ask you a question, as I mentioned, about invasive species. As you know, Hawaii continues to struggle with the problem of invasive species. Our State is threatened by both aquatic and terrestrial invasive species and the problem continues to grow. We like to claim that Hawaii is a special place, and it is. It has the most species that are affected there.

It appears that the budget in brief document that, except for the Brown Tree Snakes, the species targeted for funding are not those using significant problems in Hawaii. The U.S. Geological Survey has stated that "Hawaii's problem with non-native species is the most severe of any State"—and that is a fact—and that "invasive species are the State's dominant biological resource issue today."

Last year, I noted a commendable increase of 13 percent in funding for invasive species related programs. However, this year the increase is only 1 percent between fiscal year 2004 and fiscal year 2005. Given the Department's initiative that recognizes invasive species as an enormous threat, I would expect to find a greater increase for the fight against invasive species in fiscal year 2005. Can you help me understand, Madam Secretary, the nearly level future funding, given the admitted magnitude of the invasive species problem nationwide?

Secretary NORTON. First of all, I did have the opportunity to, when I was in Guam, see one of the brown tree snakes. They are, indeed, ugly creatures and I am very pleased to be working on our efforts to prevent them from getting to Hawaii and causing the devastation we have seen to the bird populations especially in Guam.

The invasive species are a very important issue. We are handling those in many areas by the individual land managers. So our park superintendents in Hawaii, for example, would be working on invasive species in their areas. That also is something that our cooperative conservation grant programs very often address. We had a chart that showed the increases in those programs. Many of the projects are ones that do address invasive species and their effect on habitat. So it is something we view as important. We have greater coordination taking place through our Invasive Species Council than we have had in the past to make our funds be used as effectively as possible.

Senator AKAKA. Finally I wanted to ask you to place in the record—and you can inform me about this with regard to my State. It is unclear what level of funding Hawaii can look forward to for the management and control of invasive species, and so what I am asking is whether you can provide me with a State-by-State break-out on this. You can write to me on that.

Secretary NORTON. We will see if we can provide that funding. We certainly do encourage getting proposals for various projects from citizens groups or local communities to address those kinds of issues and would be happy to provide you with information about the various grant programs that might be available to people in Hawaii that could help in addressing those invasive species problems.

Senator AKAKA. Thank you very much, Madam Secretary. I just want to say again, Madam Secretary, thank you for all you are doing and I look forward to working with you. And I wish you well.

Secretary NORTON. Thank you.

Senator MURKOWSKI. Thank you, Senator Akaka.

Welcome to you, Secretary Norton. It is always nice to see you, always nice to hear what is going on at the Department. Like the good Senator from Hawaii, we certainly appreciate your visits to our State and look forward to at least one visit this spring.

Secretary NORTON. Thank you. I do look forward to visiting.

Senator MURKOWSKI. These are always good for, I think, both sides.

I also want to take this opportunity to compliment not only you but all of those that worked with you, your staff, and all the personnel with BLM Alaska who were involved in the planning of the Northwest Planning Area of the National Petroleum Reserve in Alaska. It was a great pleasure to be with you at the time that you signed that record of decision for this plan. I certainly look forward to working with you and your staff as the lease sales move forward in June so that we can realize the same benefits from this area in terms of increased energy production on the North Slope that we are currently seeing in other parts. So that was a good step forward for us and we look forward to the next phase of that.

Just a couple of comments on the budget initially and some of the highlights from Alaska's perspective. Of course, we have to start with mention of ANWR—the Arctic National Wildlife Refuge. I am certainly glad that the administration continues to recognize that oil and gas exploration on this very small part of ANWR will continue to—I would like to say “continue”—but will certainly render great benefits for America in terms of the energy that can

be produced from this area. I will continue to work on legislation that will open up this area. I know that we can count on the support not only from the Department but certainly from the President on this. As we know, it is not only an energy issue in the sense of greater access to energy resources. It is an issue of economic and energy security for this country, and certainly as we talk about jobs across the Nation, this is one very specific area that we can cite and say the potential for success is very, very good and very, very great in terms of opportunities. So we look forward to working with you again on ANWR.

Another area I would like to just mention is the payment in lieu of taxes program. I notice in the President's budget that we are calling for an increase of \$1.7 million over the \$224.3 million enacted for fiscal year 2004. This is a huge area for us, as you know, in States like Alaska where so much of our land is Federal land, and we recognize that our local governments rely on these contributions, these PILT dollars. It is significant for our State and we will look forward to working with you to continue to increase funding for PILT.

Other mentions of note certainly: the natural gas pipeline. We had some great news in the State just about a month ago with the submission of two applications to the State under the State's Stranded Gas Development Act. One application jointly from the three major producers, the other application from a pipeline company in conjunction with a native corporation and a private energy company. But the significance of the submission of these applications is huge for us as a State. We have had the 35 trillion cubic feet of natural gas sitting up there on Alaska's North Slope for a long time. We have just got to figure out the way to bring it to America. We are getting close, but with the submission of these two applications, I think it is fair to say that we are closer than we ever have been.

But in order for those submissions to move forward and for any entity to proceed with construction of a natural gas pipeline, we have to have the provisions that were contained in the energy bill that we have been working on for this past year. As you know, that energy bill is still alive. It might be getting a little skinnier than before, but it is going to be critical for this country that we do move forward with certain provisions that were contained in that energy bill and certainly from our perspective the provisions that would provide for the authorization of this massive project to bring the number one source of energy or certainly the most desirable source of energy nowadays—it is clean. Everybody wants natural gas. We just have to figure out how we get more domestic production. So we look forward to working with you on that.

It is also important to note that we focus a lot on that particular project and our ability to bring this free gas to the rest of the country. But I did note with interest that the Department is conducting research on the production of the unconventional gases like the methane hydrates and the opportunity that we again have in the Arctic regions with these formations, also in the marine sediment. So if we can figure out, again, how to untap these huge resources, again the potential is great, and we think we have got so much to

offer in Alaska in terms of energy. Our big challenge, as you know, is how do we tap it, how do we get it out to be utilized.

That brings me to a point that I believe Senator Craig brought up with you when he spoke to the mining issue and what kind of a mining policy we have. As you know, the mineral reserves in Alaska are huge in terms of our coal deposits and just minerals all across the board. The reserves are enormous.

We had a conference in Fairbanks several weeks ago and had testimony from an individual within the mining industry talking about Alaska's position within the international mining world. In a period of just 2 years, we went from being ranked I believe it was 5th in the world, in terms of the potential for mineral reserves and just the opportunities for mineral production, to 11th. So the question is, what happened? We did not do anything. We did not extract anything. It is not as if our mineral potential has decreased at all.

But what this gentleman concluded in his assessment were two very specific things. It is the investment opportunity and the desirability of these companies. When they look at Alaska, they do not view us as desirable to operate because of permitting restrictions and concerns and also the land use and land conveyance issues. It was one of those things that just kind of knocks you over the head and says, wait a minute. If we have got such vast potential, what is it that we can do to make it a more attractive investment opportunity. I would like to work with you and your Department as we explore that a little bit.

One final point I would like to make is with regard to the Alaska's Minerals Information Project. This is a consortium of the BLM, the USGS Division of Geological and Geophysical Surveys, and the Department of Natural Resources. It is intended to ensure that existing minerals data is maintained so that this information that is compiled is not lost. It is also attempting to digitize the data and make it available to the public on the internet. The State is taking, I think, a very aggressive path to increase resource development and opportunities in the State. We recognize we have got a long way to go, but it is crucial to us that this kind of information not be lost.

Apparently within the budget, you have chosen to request no new funding for this project. So I would like you to either speak to that or let us know how we can work with you to address that because we feel it is very important that we continue with this particular program.

Secretary NORTON. I do not know the details on that right off. So I would be happy to provide some information for the record on that.

Senator MURKOWSKI. That would be great. We would look forward to that.

That appears to be the end of the questions. We are into the lunch hour, so we will let you go. Again, thank you for appearing before us this morning and for giving us the overview at this point in time. I look forward to your next visit to the State.

Secretary NORTON. Thank you very much. Look forward to working with you and the other members of your committee.

Senator MURKOWSKI. We stand adjourned.

[Whereupon, at 12:13 p.m., the hearing was adjourned.]

APPENDIX  
RESPONSES TO ADDITIONAL QUESTIONS

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DEPARTMENT OF THE INTERIOR,  
OFFICE OF CONGRESSIONAL AND LEGISLATIVE AFFAIRS,  
*Washington, DC, March 4, 2004.*

Hon. PETE V. DOMENICI,  
*Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: Enclosed are responses to questions submitted following the February 12, 2004, hearing on the Department's Fiscal Year 2005 budget request. Thank you for the opportunity to provide this material to the Committee.  
Sincerely,

JANE M. LYDER,  
*Legislative Counsel.*

[Enclosure]

RESPONSES TO QUESTIONS FROM SENATOR DOMENICI

*Question 1.* I know that the Forest Service held a meeting with all of its Forest Supervisors and spent a considerable amount of time explaining the Administration's expectations on implementation of the Healthy Forest Restoration Act.

What has the Department of the Interior and the Bureau of Land Management done to inform your field managers of the Secretary's expectations for implementation of this important legislation?

Answer. Since the signing of the Healthy Forests Restoration Act, the BLM has worked with the Forest Service to develop an implementation guide for field managers. On early March 11, 2004, all managers in the BLM will participate in a presentation and training session regarding the guide. This session will emphasize how to use the authorities of the Act to implement projects that will improve the health of BLM-administered lands.

*Question 2.* Have you established targets for each of your State Directors and District Managers related to implementation of this legislation? If so how many acres of treatment do you expect to accomplish in FY 2004?

Answer. The BLM will establish targets for each State Director in early March 2004, which will reflect the number of projects that will be planned under the authorities of the Act in 2004. The BLM expects that 2004 will be a year to learn and gain experience with these new authorities. We expect to be able to send you estimates of the number and size of projects by May 2004. Actual on-the-ground implementation of most authorized projects will begin in FY 2005.

*Question 3.* I continue to be very concerned about the treatment of the pinon juniper in my State. Thousands upon thousands of trees are dying. I would like you to provide me with a strategic plan for treating these areas of mortality, could you do that?

Answer. The Department is also very concerned about the extent of mortality in pinon juniper woodlands in New Mexico and elsewhere in the Southwest. The BLM is a full partner with numerous other agencies, private land owners, Tribal representatives, and academia, (including New Mexico State), under the leadership of the NM State Forester, in developing a statewide Healthy Forest and Watershed plan. This Plan will address, on a strategic level, treatment areas and options to deal with forest health issues including Pinon die-off. The New Mexico Forest and Watershed Health Plan is scheduled for completion in December 2004.

In addition to cooperating in the State's planning effort, the BLM-New Mexico State Director developed an action plan in FY 2003 to address forest health issues on BLM managed lands in the State. This plan identified additional resources needed to address these conditions. To support this plan, the Bureau expects to hire 2

additional foresters by Summer 2004. Also, additional funds have been allocated in FY 2004 for forest restoration projects in the State. Our Taos Field Office recently approved an area-wide fuel wood cutting program that allows the cutting of dead Pinon throughout the Field Office area. This will help to reduce the dead bio-mass and will provide local residents with fuel wood.

*Question 4.* I am also concerned that we have thousands of acres of private and State land that are also suffering this catastrophic mortality. Are there any programs in the Department of the Interior that we can look to for help in dealing with this insect outbreak?

Answer. We share your concern about this important issue. The primary programs providing state and private assistance for these purposes are in other agencies, most notably the Department of Agriculture. However, BLM funds may be used to treat adjacent non-Federal State or private lands if the treatment benefits resources on Federal lands.

*Question 5a.* Secretary Norton, it is our understanding that within the '05 budget, BLM is seeking to increase fees in an effort to recover additional administrative costs within the minerals program. Congress has increased the funding levels for BLM's Oil and Gas Programs over the past five years for inspection, the processing of permits and for the conducting of environmental assessments. This proposed increase in fees is of concern to many of those producers on federal lands who continue to struggle with the lack of progress being made with regards to expediting APD and Rights of Way.

Does the BLM minerals program currently operate under a budget shortfall? How much revenue was generated through fees and royalties last year? Should it be expected that the program will now pursue generating additional receipts to cover its operating costs?

Answer. BLM does not operate under a shortfall. Revenue is generated from Federal minerals through rent, royalty and fees. This revenue is not retained by BLM. In FY 2003, Federal onshore minerals generated the following:

|  |                 |
|--|-----------------|
| Rent and Royalties Collected .....         | \$1,745,000,000 |
| Fees .....                                 | \$605,000       |
| First Year Rentals (paid separately) ..... | \$43,000,000    |
| Bonus Bids .....                           | \$167,000,000   |

Rent, royalty and bonus bids compensate the public for commercial use of public resource. This money is deposited in the Treasury and disbursed as directed by statute, with 50% going to states and 40% going to the Reclamation Fund, except in the case of Alaska where 90% goes to the state.

The fee increases proposed in connection with the FY 2005 budget will update charges for processing applications and permits for various energy and mineral activities. This will better ensure that public land users, rather than the general public, pay the costs of permitting these activities. It should also improve the BLM's ability to quickly respond to changing industry demand by providing resources to respond to workload peaks.

*Question 5b.* Please identify the specific programs and states where this proposed increase in fees will be put to use. Have you identified particular field offices that will receive funds generated through the increase in funds?

Answer. The BLM is proposing cost recovery for certain document processing actions in its Oil and Gas Program, Coal Program, and Other Minerals Program. The new user fees are estimated to generate \$4.0 million in revenues that would be retained by the BLM. This cost recovery proposal is accompanied by a \$4.0 million reduction in the budget request for appropriations, thus maintaining budgetary resources for the programs at the 2004 level. The funds collected under the cost recovery proposal will be used to process applications in the office where the work is done, which would be those offices where leasing-related applications are processed. In some cases a single application may require several offices to participate in its processing so the fee could be used in more than one office. The fees collected will replace appropriated funds that these offices would have otherwise been allocated.

*Question 5c.* In the business world, when consumers are informed that the costs of service are going to increase, consumers have a right to know what they will be getting in return for their money. What additional services might minerals producers expect in return for the increase in fees? For example, how many new APDs might we expect to be processed?

Answer. As noted in the response to question 2, the cost recovery proposal is offset by a reduction in appropriations, so the program capability will remain at the 2004 enacted level. It primarily applies to leasing-related document processing costs. The cost recovery proposal is designed so that the party who directly benefits from the

government's work pays the cost of this work. We expect that the number of applications will remain the same. However, the cost recovery proposal will allow us to more rapidly respond to changes in demand or the location of that demand.

*Question 5d.* BLM has received additional funds in the past to achieve specific goals in the minerals program, how do we know these funds will improve their ability to timely produce energy for our nation?

Answer. As explained above, the 2005 cost recovery proposal does not provide additional funds to the Energy and Minerals Program. Instead, it is offset by a reduction in appropriations so as to maintain total program resources at the 2004 enacted level. However, reliance on user fees should improve program efficiency and performance in processing the subject documents, in terms of timely response to industry demand, because program resources and capability will be directly tied to industry demand. The funds needed to process the documents will be immediately available at the time the customer requests this service. The program will not be dependent on the uncertainties of budget requests, which are formulated based only on estimates of projected demand.

*Question 5e.* Is the Department of the Interior planning on future fee increases for producers in future budgets? What about for other users of federal lands? Might they expect fee increases as well?

Answer. We currently are not considering additional fee increases. We can of course not commit to what the Administration will do in future budgets with regard to fees.

*Question 6a.* Secretary Norton, as you know, the Congress established the Abandoned Mine Land Program in 1977 as a 15-year program. Paid for with fees collected from today's operating coal mines, the expectation was to complete the Nations backlog of abandoned coal mine reclamation by 1992. This program as already been reauthorized once and of course we are about to take up consideration of a third time. Instead of a 15-year program, AML as developed a sense of permanency. Your budget proposes reauthorizing the fund for another 14 years, but it also claims it will take another 25 years to address the remaining health and safety problems.

There are many questions we will delve into in hearings over the coming weeks, but an you explain why this program has so dramatically exceeded its original timeline for completion?

Answer. In the early years of Abandoned Mine Reclamation Program, most of the fees collected went directly to cleaning up abandoned coal mine sites. Some states and tribes with fewer abandoned coal mine sites finished their reclamation work relatively soon. However, under current law, those states and tribes were still entitled to receive half of the fees collected from coal companies operating in their states. In the early years of the program this didn't cause a considerable problem, because the Eastern states, where most of the hazardous sites were located, were also the states where most of the coal was being mined and were, therefore, receiving the majority of the AML fees.

However, beginning in the 1980s, a shift occurred whereby the majority of the coal mined in this country began coming from mines in Western states. This shift revealed an inherent tension in the AML program which now allocates a large part of AML fees to states that have no abandoned coal mine sites left to clean up. By contrast, the states that still have hundreds of dangerous, life-threatening sites left to reclaim receive less and less money to address these pressing problems. Currently, we are only able to devote 52 percent of the money we collect to the purpose for which it is collected—reclaiming abandoned coal mine sites. That percentage will continue to decline each year unless the law is reauthorized and amended, and the fundamental problem is corrected.

After having operated under the current statutory allocation formula which results in a progressive distribution of resources away from the most serious AML problems, almost \$3 billion worth of listed high priority health and safety coal problems still remain. Even if we use all collections received between now and September 30, 2004, when the fee will expire, as well as \$1 billion of the unappropriated balance, we would still be left with \$2 billion in health and safety-related problems.

An OSM study last year estimated that more than 3.5 million Americans live less than a mile from health and safety hazards created by abandoned coal mines. These people are at risk of serious injury or even death until we clean up these hazards.

Our plan attempts to address this disturbing fact by ending the state share and focusing all future collections in reclamation of the highest priority abandoned coal mine sites, providing all states with sufficient funds to complete their highest priority sites decades sooner than under current law, while also honoring commitments made to states and tribes in the past. The increase in funding reflected in our budget, which is contingent upon obtaining the needed legislative reform, demonstrates

the Administration's commitment to addressing this problem in a way that recognizes the inherent tension between the goals established under SMCRA.

*Question 6b.* If reauthorized, is there any assurance this process can be managed in a manner that will allow us to make this the last time?

Answer. Currently, there are almost \$3 billion in listed high priority health and safety coal problems that remain to be reclaimed. Under the Administration's proposed legislation, we will need to collect about \$3.6 billion to fund all of the costs associated with the cleanup. With the phased-in fee reduction in the Administration's proposal, we can collect sufficient funds in the next 14 years to complete the high priority health and safety problems. States would receive the funds needed to address their high priority problems at the same rate or sooner than, under the current system and we would get all of the funds to the states in 25 years.

By contrast, if we extend the program and retain the existing allocation system, we would still be required to distribute half of the money collected on the basis of current production which has no relation to the extent of the remaining AML problem. As a result, we would need to collect \$6.8 billion to complete the \$3 billion needed to complete remediation. It would take 23 years to collect these funds at the current rate. In addition, we would need 60 years to complete remediation in Pennsylvania and 50 years in West Virginia, with an overall average of 47 years to get the funds to the states. In some states, it could take more than a century to allocate the needed funds to address these high priority problems.

Under the Administration's proposal, each State will receive sufficient funding to complete—two decades sooner and with a fee reduction of \$3.2 billion—all of the remediation work at sites where recorded health and safety risks currently exist.

*Question 6c.* Since fees are being collected from active coal mines means that today . . . in 2004, this program is largely being paid for by Western States. While the bulk of the abandoned mines needing reclamation are in the eastern half of the country. Has the Department explored other options for funding this reclamation?

Answer. We recognize the difficulty in fashioning a solution to this problem that addresses both the ongoing problems faced by states with high priority coal-related health and safety issues while not disadvantaging the western states where the majority of fees are currently generated. Many of the options available did not strike an appropriate balance between remediation and returning fees to the states in which they are generated. For example, one option would be to simply retain the current allocation formula. However, this approach would only further delay the reclamation of high priority sites in the east because most of the current production takes place in the west. Indeed, certification of some states would take as long as 100 years under the current allocation distribution because of the amount of time it would take to collect sufficient fees to complete the work. Another option would be to direct all of the fees collected to the eastern states where the high priority sites exist. However, this option would result in the western states receiving no money.

We determined that the best approach would be to strike a balance between the interests of the western states, while addressing the high priority health and safety needs existing in the east. Accordingly, we fashioned a proposal that addresses both concerns. The Administration's proposal serves to fulfill the promise made under SMCRA by freezing the state share balances as of September 30, 2004. As a result, certified states will receive the funds they were promised under SMCRA. Fees collected after September 30, 2004 will be directed to those states and tribes that need the funds to address their high priority health and safety reclamation needs. This will result in reclamation occurring much faster than under the current allocation formula, thereby addressing pressing health and safety concerns for millions of Americans who live on or near our Nation's coalfields. Finally, the proposal's graduated fee reductions make the program revenue neutral and have the added benefit of resulting in lower costs to consumers who purchase electricity from producers that burn coal in their plants.

*Question 6d.* To my western colleagues and I, this program seems out of balance. Can we find a more equitable manner to distribute the benefits?

Answer. Please see our response to the above question. We certainly are open to working with you and other members of the Committee on this issue.

*Question 7a.* In the context of this continued drought, the BOR is bound to continue to meet contract deliveries. It is also bound to meet the provisions of the Fish and Wildlife Service 2003 Biological Opinion, which includes the projects specified in the Reasonable and Prudent Alternatives and providing water to meet minimum flow requirements. We have implemented the ESA workgroup to gain community support and cooperation, but the primary burden falls on the DOI. The BOR has various obligations under the 2003 Biological Opinion. Congress has provided funding for the past 3 years to assure BOR is in compliance with much of the require-

ments from the on-going litigation on the Middle Rio Grande. However, every year, the administrations budget proposal does not include funding to meet these obligations. Specifically, the Administration's budget proposes a \$14.3 million dollar (45%) cut in the budget for the Middle Rio Grande project for 2005.

How will the BOR meet its court ordered and legislated mandatory obligations with this greatly decreased budget?

Answer. We believe the requested funding is adequate to meet the requirements of the Biological Opinion (BiOp) and continue required channel maintenance. Because water storage and weather, (i.e., precipitation, temperature, etc.) cannot be predicted so far in advance, we will monitor the situation carefully and take the appropriate actions, if necessary.

*Question 7b.* Is Interior considering the potential costs of leasing water to meet its obligations? Where would the money come from to meet those costs?

Answer. Yes, the BiOp includes the leasing of water and these funds are provided for in the President's request.

*Question 8.* Secretary Norton, the State of New Mexico remains in severe drought with projections that the Rio Grande will have less than 60% of its normal flows this coming year. This comes on top of depleted reservoirs, dry soil conditions and increasing environmental demands. The DOI Budget in Brief recognizes that the Rio Grande has reached conditions similar to the trauma on the Klamath River.

Will the Department of the Interior and the Bureau of Reclamation be prepared to address potential drought related trauma this summer?

Answer. Yes, to meet the requirements of the BiOp, Reclamation was able to carry over some stored water from last year and is actively purchasing additional water from willing sellers. Given the February 1 forecast, Reclamation currently anticipates it should have sufficient water for the Silvery Minnow.

*Question 9a.* Commissioner Keys engaged in a series of public discussions on water issues over the last year including one in my home state of New Mexico. I am aware of much of the input provided to the Administration. However, what the Administration intends to do with that information is unclear. The Budget in Brief alludes to many advantages of this new effort but provides little concrete information on an actual program.

Specifically, what will DOI do with the proposed \$21 million in funding for "Water 2025"? What parts of this funding simply regroups existing activities?

Answer. As in the FY 2004 Western Water Initiative and in keeping with the Secretary's 4C's—communication, consultation, and cooperation, all in the service of conservation—the 50-50 Challenge Grant Program will continue to be an integral part of the Water 2025 Initiative in FY 2005.

With the \$20 million in the request, Reclamation will continue to seek proposals from irrigation and water districts that would like to leverage their money and resources to create water markets and make more efficient use of existing water supplies through improved water conservation, efficiency, and water bank projects.

It is essential that we maximize these Federal dollars with partnerships. With the 50 percent cost share requirement in the Challenge Grant Program, we are essentially doubling the amount of funds used to enhance the efficient use of available water. Moreover, it engages the Districts and communities in helping to solve their water supply problems.

In addition to the Challenge Grant Program, Interior agencies, in conjunction with USDA, will closely monitor the western basins experiencing drought conditions. We are continuing to coordinate existing programs with other Federal agencies, such as the Corps of Engineers and the Natural Resources Conservation Service.

Another component of Water 2025 will be educating civic leaders, farmers, conservationists, and citizens in certain "hot spot" areas of the situation that their community can and will face as it relates to water.

Improving technology is important to purifying salty, brackish, and otherwise impaired waters to increase their utility. Water 2025's goal is to aid technological advances and reduce the high costs that slow adoption of new water treatment technologies, such as desalination technology.

None of the funding regroups existing activities. While the philosophy of Water 2025 is practiced in many of the activities in Reclamation, the funding for Water 2025 focuses on technical and financial resources in areas in the West that are struggling with scarce water supply problems. Existing activities will continue in other areas of the West to help prevent future water supply crises.

*Question 9b.* Do you envision "Water 2025" becoming the primary agency policy on water resources?

Answer. We launched Water 2025 last year as our vision of the future role of the Department in the management of water in the West. Water 2025 is a problem-solv-

ing initiative that will help States and their citizens to manage scarce water resources, focusing on areas of the West where conflict and crises over water can be predicted. We simply cannot continue to have communities in the West experience water supply crises such as those that occurred in the Klamath or Middle Rio Grande basins.

Water 2025 is about common-sense solutions that have been tested in the real world—conservation and new uses of technology in the management of water, market based transfers of water, collaboration instead of conflict and crisis, research into solutions for the future, and making the best use of the water supplies that we already have.

*Question 9c.* What is the next major step in implementing this initiative?

Answer. Water 2025 will continue focusing on the Water 2025 “Tools”: Conservation, Efficiency, and Markets; Collaboration; Improved Technology; and Removing Institutional Barriers and increasing Interagency Cooperation. Specifically, Interior and Reclamation will:

- For the FY 2004 50-50 Challenge Grant Program, announce the selected grants by mid-summer. Implementation will begin in early August. As stated earlier, this program will continue in FY 2005.
- Pursue opportunities in the West for collaboration tied to demonstrable improvements in water supply.
- Closely monitor the western basins experiencing drought conditions and work with States, stakeholders and other Federal agencies to coordinate available programs concerning drought relief.
- Educate civic leaders, farmers, conservationists, and citizens of the west, particularly in “hot spot” areas.
- Facilitate research to reduce the high costs that slow adoption of new technologies, such as desalination technology.

*Question 10.* Secretary Norton, we recently read the Departments call for proposals for the competitive grants program under the new Water 2025 program. While we applaud the goals of this program, it is not clear what the implications are for conservancy districts and similar organizations such as the Middle Rio Grande Conservancy District.

Are there any criteria that you feel would eliminate such organizations from participating in the Competitive Grants Program?

Answer. The FY 2004 appropriations for the Western Water Initiative included \$1.75 million for the Middle Rio Grande Conservancy District. Reclamation is working directly with the Conservancy District to identify water conservation efficiency improvement projects, such as flow measurement devices, water management and data collection stations, diversion dam rehabilitation and other tools identified in Water 2025. The criteria and performance measures developed for the Challenge Grant Program will be used to select the projects. However, the District will not be competing with other projects, but instead will receive direct funding for FY 2004.

*Question 11a.* The federal government’s special relationship with Native American tribes often puts agencies in difficult positions. One example is playing out on the Rio Grande in New Mexico. A number of Pueblos are dependent upon the Bureau of Reclamation for their water delivery and irrigation infrastructure.

The affected Pueblos rely upon the BOR to deliver water that they hold rights to when they Pueblos require it. Sometimes it appears that BOR has difficulty meeting these requests and it is often blamed upon a lack of available manpower or maintenance work being done upon the system. Furthermore, many of the Pueblos’ water delivery systems and irrigation systems are breaking down and desperately require upgrading and modernization.

Does DOI and BOR have sufficient funds to properly engage with the tribes and fulfill water delivery obligations?

Answer. DOI has met its legal obligations to the Pueblos each year regarding their prior and paramount water rights. DOI and Reclamation have adequate funding and have fully engaged the tribes and fulfilled water delivery obligations in 2002 and 2003.

*Question 11b.* What efforts are DOI and BOR undertaking to address these problems? Are funds available for the purpose of modernizing Pueblo irrigation systems?

Answer. Operation and maintenance of Pueblo irrigation systems is provided by the Middle Rio Grande Conservancy district via a contract with the Department. Through the Bureau of Indian Affairs, the Department is currently renegotiating this contract with the District. One of the goals of the contract negotiations is to improve the operation and maintenance services provided for Pueblo irrigation systems.

*Question 11c.* The Pueblos have raised concerns that they cannot effectively manage their water resources because their water rights are unquantified. They have expressed interest in having their water rights quantified so that they can lease water to help the demands of other water users and environmental demands in the Middle Rio Grande. Will the Department commit to help the tribes and Pueblos with their quantification issues?

Answer. The Departments of the Interior and Justice have a long-standing policy of working toward addressing Tribes' water rights. We recognize the need to work cooperatively with states and local entities to ensure the scarce resource of water is effectively utilized.

*Question 12.* You have stated that operation and maintenance costs for project operations will increase as BOR implements additional security measures. As part of the FY 2005 budget, DOI intends to pass these increased O&M cost on to contractors. However, part of these O&M costs are related to meeting Trust responsibilities to Tribes.

Do you have an estimate of the security related costs and can you tell us what portion of them you intend to pass on to the many western water contractors beginning in 2005 and thereafter?

Answer. Beginning in FY 2005, annual costs associated with activities for guarding facilities will be treated as project operations and maintenance (O&M) Costs subject to reimbursement based upon project cost allocations. Reclamation will work closely with its stakeholders in analyzing security-related O&M costs to determine the beneficiary's reimbursable obligation in FY 2005, consistent with Reclamation policy and project-specific authorizations and contracts. Reclamation estimates it will pass on approximately \$12 million of the annual \$18 million guards and surveillance program to project beneficiaries.

*Question 13.* Madam Secretary, you are aware of the on-going negotiations between the states of Arizona and New Mexico with respect settlement of the Central Arizona Project allocation and the upper Gila River issues.

I would like to remind you that the authority for NM to enter into a water transfer agreement with an entity in Arizona was granted in the Colorado River Basin Protection Act of 1968.

I would like your commitment that the Administration will more fully engage in working with New Mexico, where appropriate, so these issues can be resolved and New Mexico can obtain its water allocation and necessary funding as legislated in the 1968.

Answer. The Administration looks forward to continuing to work with Tribes in Arizona affected by this legislation as well as the States of Arizona and New Mexico to resolve these issues.

*Question 14a.* This year the estimated cost for completion of ALP jumped 50%. There have been accusations that the BOR had poor oversight, that the priority contracting process for Native Americans is to blame, that outside groups unrelated to the project sponsors influenced engineering decisions without contractor engagement in those decisions and so forth. Nevertheless, we know that this project is critical to the states of Colorado and New Mexico.

The Project Plan calls for \$65 million dollars this year, but the Administration's plan only requests \$52 million with the statement that \$52 million is sufficient until the projects problems are resolved. We have received multiple assurances from the BOR that the project is back on track and the issues are resolved. I intend to hold a hearing in the Appropriations Subcommittee on Energy and Water in March to investigate these issues in more depth.

What remaining issues are important enough to delay construction?

Answer. Reclamation has taken some aggressive actions to complete the Animas-La Plata Project in the most cost effective and efficient way possible. Reclamation established a new construction office with the sole responsibility to construct the project, an organizational structure that we are confident will be successful. Reclamation has re-initiated and increased the level of coordination and consultation with the project sponsors so that they are properly involved in decisions on the project, and has developed a system to allow for open and complete cost accountability. Reclamation believes the new project cost estimate is adequate to complete the project provided indexing is accounted for.

*Question 14b.* How great a delay is likely if the full construction funding is not available?

Answer. We cannot give you a certain answer at this time. The Administration is developing legislation to extend the authorization of appropriations for the project. This legislation will establish a revised timeframe that takes into account the increased project costs.

*Question 15a.* A proposed Navajo water rights settlement has been released for comment by the Department of Justice, Navajo Nation and the State of New Mexico. This proposed settlement calls for completion of the Navajo Irrigation Project and funding of a set of pipelines to provide potable water to most of the chapter houses on the Navajo Nation.

However, the Bureau of Indian Affairs 2005 proposed budget for land and water settlements is reduced by \$25.1 million dollars or 42%.

What is the DOI position on the feasibility of the proposed water conveyance structures for this settlement?

Answer. The Bureau of Indian Affairs and Reclamation are studying the feasibility of the project. We have reached no conclusion with respect to feasibility at this time. Further, neither the Department of the Interior nor the Administration has taken a position on the proposed settlement, including what share of the costs of the San Juan settlement should be paid by the United States.

*Question 15b.* Is the Administration preparing to support the additional funding needs required if the Navajo Water Settlement is complete?

Answer. We understand the Navajo Nation and the State of New Mexico have not yet approved a settlement agreement. At this point, neither the Department nor the Administration has taken a position on the proposed settlement or committed to fund it. Once a settlement is reached and approved by the parties, the Administration will consider the appropriate Federal cost share.

*Question 16a.* The Aamodt Indian Water Rights settlement on the Rio Grande is nearing completion. The parties appear prepared to issue similar proposed settlement documents. We anticipate a relatively large cost for pipeline construction and other settlement costs.

Has the DOI been fully engaged in the development of this water rights settlement?

Answer. The Federal negotiation team appointed by DOI participated with and assisted the settlement parties as they developed a proposed settlement. However, the proposed settlement has not been formally approved by any of the negotiating parties. The parties continue to negotiate on the issue of how the settlement might be funded. Neither the Federal negotiation team nor the Administration has taken a position on the proposed settlement or the funding for the settlement.

*Question 16b.* What is the DOI position on the technical feasibility of the proposed water supply systems?

Answer. The study of the proposed Santa Fe-Pojoaque Regional Water System has not yet been completed by Reclamation, and no DOI position has been developed.

*Question 16c.* Are there remaining issues with this settlement that DOI feels need to be resolved prior to introduction of legislation?

Answer. One of the goals of involving the Federal negotiation team in settlement discussions has been to minimize issues in the proposed settlement that might be of concern. Nonetheless, the settlement has not yet been fully reviewed within DOI, at the Department of Justice, and at the Office of Management and Budget. This review process may identify issues of concern to the Administration. One issue already identified is the issue of how much of this settlement funding, if any, the Federal government should shoulder. Moreover, the source of the water for the proposed settlement is uncertain. Settlements without a clearly defined and identified water source have a poor chance of success and create the potential for additional federal costs.

*Question 17a.* Madam Secretary, the drought conditions in many of the Western states have reached critical levels. In my home state of New Mexico, we are entering our fifth consecutive year of drought and forecasts call for 56% of average annual precipitation in 2004. We anticipate that this year will exacerbate an already dire situation.

Water 2025 touts the value of water treatment technology in order to help provide increased useable water supplies in the Western U.S. However, the Research budget of the BOR, the only place that true water treatment technology work is done within DOI, is decreased by \$4.8 million or 33%. This does not appear to be a strong commitment on the part of the Administration to providing improved water treatment technology for the nation.

Under the current budget proposal, how large a cut would occur in the desalination research program within the BOR?

Answer. Under the FY 2005 budget proposal, desalination research is funded under Water 2025, the Water Reclamation and Reuse Program (Title XVI), the Science & Technology Program, and the Desalination and Water Purification Programs. Funding for external cooperative agreements and grants, under the Desalination and Water Purification Program, is \$100,000 to allow completion of ongoing efforts, but no new research starts due to the expiration of the Program's authoriza-

tion (i.e., the Water Desalination Research and Development Act of 1996, P.L. 104-298 a.k.a. the Desalination Research Act) on September 30, 2004.

Funding for internal research related to desalination is included within the Science and Technology Program's Enhancing Water Supply Technologies allocation of \$1,800,000. In the past, much of this funding has been directed to desalination; however, funds are also used to address other research water treatment technology issues at the nexus of water quality and water supply. Approximately \$1,500,000 for research relevant to desalination is included in the Title XVI budget. The FY 2005 Water 2025 budget includes \$4,000,000 for cost-shared water treatment demonstration projects, including desalination projects. Therefore, the total FY 2005 budget for desalination research is approximately \$6,900,000.

The FY 2004 enacted budget for Desalination Research and Development was approximately \$9,575,000. The \$7,375,000 enacted specified that \$6,600,000 shall be used for the construction of the Tularosa Basin National Desalination Research Facility and cooperative research. Another \$1,200,000 was enacted for the desalination part of the Advanced Water Treatment activity, and approximately \$1,000,000 enacted under Title XVI.

*Question 17b.* Would that cut undermine the continued construction of the Tularosa Desalination Demonstration facility in NM?

Answer. Funding for Tularosa was an earmark in the 2004 budget. Funding was not requested in FY 2004 or 2005. However, we feel confident that it will compete effectively for grants within the Water 2025 program.

*Question 17c.* What do you believe the appropriate role of the federal government should be in helping communities make use of water technologies such as desalination and water reuse to meet their water needs?

Answer. We believe there is a role to work in partnership with water users and organizations, but that state, local, and private entities are best positioned to address local water issues.

*Question 17d.* Do you believe that research is necessary to achieve a sustainable water supply for the semi-arid regions of the Western United States?

Answer. Research, whether government or privately sponsored, is one of many components to addressing the challenges inherent in achieving a sustainable water supply.

*Question 18a.* The U.S. Geological Survey provides critical data collection and analysis on water resources to agencies throughout the federal government and through collaborative programs with States.

The overall USGS budget request decreases by over \$18.2 million dollars which doesn't include an additional \$8.1 million of increased uncontrollable costs and a shift of \$45.1 million from basic programs to create an information technology and security group. This means that the critical science and monitoring programs of the USGS will be decreased \$71.4 million (7.6% of total funding). This comes on top of flat funding for the USGS for the last 8 years.

Of particular concern is a complete elimination of the Water Resources Research Institute (WRRRI) support provided to 54 State based institutions. This only saves \$6.4 million but eliminates a critical program for my state.

Why is it appropriate for the USGS of all the agencies in DOI to take such a dramatic cut in programs when science has been such an administration priority?

Answer. We are working very hard to better integrate USGS world-class scientific work with the science needs of our other bureaus to ensure that on-the-ground decisions are based on the best possible science.

Much of the "reduction" in the USGS comes from the fact that our budget does not continue Congressional earmarks from the FY 2004 budget. In USGS there were \$17.1 million in FY 2004 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.

Our effort to make the highest and best use of our resources is not limited to looking at earmarks. Within the USGS budget, we have several reductions in base programs that allow us to fund higher priority needs, including \$2.8 million for increased research in the Klamath Basin.

In addition, the transfer of \$45.1 million to create the Enterprise Information activity did not reduce program funding. This reflects the base transfer of funding for IT functions from the science disciplines to a centralized enterprise information activity within USGS. This transfer will eliminate duplication and improve efficiency.

*Question 18b.* How can DOI justify elimination of the WRRRI institutes?

Answer. The WRRRI have been successful at generating funds from non-USGS sources. Now, the contribution that the USGS gives the WRRRI makes up a very small share of the Institutes' total funding. For every dollar that the USGS gave

the WRRI in 2003, they had an additional \$19.00 collected from other sources. The USGS has higher priority science needs that could benefit from the \$6.4 million.

*Question 19a.* It appears that the USGS is being oriented to work solely on federal lands. This agency provides decision makers and the public with information about matters unrelated to Interior lands including information about floods, fault zones and earthquakes, groundwater quality and availability, and the spread of invasive species.

The House Appropriations Committee strongly urged the Administration “to continue to fund these critical science programs in the base budget in future years.” The Senate Appropriations Committee urged the Administration “to bear in mind the expressed public support across the United States for the Survey’s programs.”

Has DOI engaged the public, non-federal decision makers and industrial users of critical USGS information in formulating the current and future USGS budgets?

Answer. We openly solicit opinions and we listen whenever possible. The USGS, the Department, and the Office of Management of Budget have met with a variety of USGS constituents and we do understand their views.

*Question 19b.* Does DOI intend to continue to decrease the involvement of the USGS on non-federal lands?

Answer. Decisions by the Department’s land managers and other program managers need to be informed by the best science available. As have USGS budgets for several years, the 2005 budget emphasizes the importance of ensuring that the world-class science conducted by USGS is relevant to and available for management decisions. This does not mean that USGS is withdrawing from its broader role of providing science to the Nation. The budget continues funding a broad range of science activities and provides selective increases for high priority programs, such as the use of Interferometric Synthetic Aperture Radar to monitor the ground deformation that precedes volcanic eruptions. As part of USGS significant contribution to the DOI Strategic Plan Goal of Serving Communities, the USGS has a vital national and international role in monitoring hazards such as earthquakes, volcanoes, and landslides, in monitoring the Nation’s streams, coastal zones, and migratory bird populations, and in cooperative programs with the States to understand our water resources and map the land.

*Question 20a.* The President’s budget request for the Department of the Interior’s Bureau of Reclamation includes \$15 million for the CALFED program activities that can be undertaken within existing statutory authorities. Of this \$15 million, a total of \$8 million is provided for the Environmental Water Account (“EWA”). In contrast, only \$2 million is requested for much-needed storage studies for Shasta, Los Vaqueros, the Sites Reservoir, and the San Joaquin River Basin.

Why is there more funding requested for the EWA, as compared to storage studies?

Answer. The Administration is committed to the ongoing storage studies, and the President’s budget requests funding for those studies to continue. There is more funding for EWA because funding and implementation of the EWA is important to several components of the CALFED Program including ESA consultation for the Operations Criteria and Plan (OCAP), advancing the South Delta Improvement Program, and implementing the DMC/CA Aqueduct Intertie project. Completing the current consultation on OCAP is critical to other priority actions including CVP Long-Term Contract Renewals and the Trinity River Restoration Program Supplemental EIS.

Over the last 4 years a total of \$181.3 million has been invested in implementation of the EWA. The state contribution was \$153.8 million and the Federal was \$27.5 million.

*Question 20b.* How will this funding discrepancy impact the timeline for the storage studies?

Answer. In line with a CALFED-wide effort to re-examine the project milestones in the existing Record of Decision to more realistically reflect likely funding and pace of the Program, the surface storage feasibility investigations are funded in this request at \$500,000 each. These levels will also lengthen the completion dates of the feasibility studies that may ultimately be considered by Congress.

*Question 20c.* Shouldn’t both the EWA and the storage studies receive adequate funding?

Answer. We believe that this funding level is adequate for FY 2005 and will keep these actions in balance within the CALFED program.

*Question 20d.* How much funding Administration-wide is requested in the President’s budget for CALFED-related activities? Will the Administration provide us with a cross-cut budget for the CALFED program? When can we expect that cross-cut budget?

Answer. The Administration is currently updating the CALFED budget crosscut we prepared last year, and will share it with the Congress when it is complete, sometime this spring.

*Question 20e.* How does the federal share of CALFED funding in the areas of water quality and water supply compare to the state share?

Answer. We will have to research this information and provide it for the record.

*Question 21a.* Secretary Norton, the National Park Service is requesting \$42.5 million for land acquisition in 2005. The vast majority of funds, \$40 million, is to protect the Big Cypress National Preserve by acquiring the Collier oil and gas holdings.

What is the significance of the Collier oil and gas holdings?

Answer. The Collier oil and gas holdings are privately held mineral rights that underlie the surface estate owned by the United States in the Big Cypress National Preserve. It should be noted that the \$40 million request for Collier is part of a \$84.3 million National Park Service request, not a \$42.5 million request.

*Question 21b.* What is the urgency for acquiring the Collier oil and gas holdings at this time?

Answer. The Collier Resources Company has filed numerous plans of operation for exploration and production within the Big Cypress National Preserve. Stakeholders in Florida believe that oil development in this protected area could undermine the implementation of the Comprehensive Everglades Restoration Plan, a 35-year effort to restore the South Florida ecosystem while providing water for the area's fast-growing population. Acquiring these holdings would preclude further development in this area.

*Question 21c.* Will \$40 million acquire all Collier oil and gas holdings in Big Cypress or do you anticipate future budget requirements to settle this matter?

Answer. The existing agreement between the Department and Collier Resources has expired so the total project amount is yet to be determined. We would like to work with the Collier family, while using the Department's new guidelines and procedures for appraisals. It is premature to specify future budget requirements.

*Question 21d.* How many other land acquisitions is the National Park Service authorized to conduct and how much do you estimate it will cost to complete them all?

Answer. The National Park Service has 84,398,239.81 acres within its authorized boundaries. Of these acres, 5,392,683.04 are not administered by the National Park Service. Of the non-NPS acres, 3,649,263 acres would not be considered for acquisition because they are either protected through zoning, protected through ownership by other Federal, State or municipal governments, or managed for compatible ongoing uses. The remaining 1,743,420 acres, or 11,297 tracts, could be considered for possible acquisition although most would not be candidates because they are not high priorities or available from willing sellers. Nor would this be practicable, since the estimated cost of acquiring all of this land is approximately \$1.64 billion. The Department of the Interior continues to review its land acquisition priorities, policies and procedures. We have developed land transaction principles that apply across the Department and guide our decision making. The Department's highest priority now is addressing the backlog of deferred maintenance on the lands that are currently owned by the Federal government in our national parks.

*Question 22.* In 2001, the Administration estimated the maintenance backlog would require approximately \$4.9 billion to correct.

What progress has the National Park Service made in the past three years to address the maintenance backlog and how much funding do you estimate it will take to complete the remainder of the effort?

Answer. One of the Administration's highest budget priorities for the National Park Service (NPS) is addressing the backlog of deferred maintenance in our national parks. We again reflect that priority in this year's request of \$1.112 billion to address deferred maintenance of park facilities and roads. This is nearly double the amount for the same categories just seven years ago. With this request, we are on track to exceed the President's goal of investing \$4.9 billion over five years to address the backlog by improving facilities and roads in our parks. In the four budgets of this Administration, nearly \$3.9 billion to date has been proposed to address deferred maintenance in parks. The funds provided are achieving tangible results. The National Park Service has undertaken over 1,300 projects using repair and rehabilitation funding in FY 2001-2003 with another 400 more anticipated to be done in FY 2004.

Park roads make up a significant portion of the deferred maintenance backlog. The President's proposal for the next highway authorization bill contains over \$300 million annually for NPS transportation, which is roughly double the amount of funding made available for park roads under the last six-year authorization. This is the amount needed to raise the overall condition of our road network from mostly

poor to acceptable. Current versions of the legislation under consideration in Congress, unfortunately, would not enable us to meet this goal. The Administration will be working closely with the Congress as the legislative process continues to try to sustain the President's objectives.

Complementing these efforts has been an increase in cyclic maintenance, the funding used for routine, preventive maintenance, to keep facilities from gradually falling into disrepair. Since FY 2002, funding for cyclic maintenance increased from \$32 million to a budget request in FY 2005 of \$65 million. Other targeted funding increases will protect the improvements achieved with recent investments.

As you know, a National Park Service estimate, cited in the 1998 General Accounting Office report ("Efforts to Identify and Manage the Maintenance Backlog" GAO/RCED98-143), placed the deferred maintenance backlog at approximately \$4.9 billion. That figure represented compilations of desired projects in parks—desires of individual site managers, not projects validated by systematic, comprehensive condition assessments of the true condition of the NPS assets.

Since that time, we have learned that maintenance condition is best defined using a grading system that compares total cost to completely replace facilities with the total sum of undertaking all repairs that would put a facility in perfect condition. Using a state-of-the-art facility management system, one used by commercial property managers across the nation, the Park Service now has "grades" for its facilities and other assets. These grades result from what is called a facility condition index. We can combine that grading system with criteria for determining which facilities are high priorities, what types of improvements are most important to ensure safety and visitor enjoyment, and whether to change the type or scale of a facility as we repair or replace them. These decisions, in combination, give us a roadmap for determining annual resource needs to maintain and manage park facilities.

Thus, this management system, in addition to investments proposed in the budget as described above, will enable us to take care of park assets far more effectively and efficiently than in the past. Through this system, we are answering four basic questions about each building or asset which we will refer to as "the 4 W's."

- *What is the asset and what is its management priority?* For the first time, we have a comprehensive inventory of our industry-standard assets—which are mainly buildings, paved and unpaved roads, trails, campgrounds, houses, and water and wastewater plants. For the first time, we are using a systematic, interdisciplinary process to set management priorities for our assets on a park-by-park basis.
- *What condition is it in?* For the first time, NPS is using a uniform software system at all the parks, so that everyone is collecting and posting information about their assets in the same way. We have done initial condition assessments at all parks, except for four of the most asset-intensive parks (Gateway, Golden Gate, Yellowstone, and the Appalachian Trail), which are all on schedule to be completed by the end of this fiscal year.
- *What will it cost to improve the asset to acceptable condition?* For the first time, we have preliminary estimates of what it will cost to improve the industry-standard assets to acceptable condition. Decisions about what to spend money on will be influenced by management considerations, as well as the condition and priority information.
- *What are the long term costs to maintain that asset?* For the first time, we are developing preventative maintenance schedules so that we will know not only how much it will cost over the long term to maintain those assets, but also when we need to make investments to avoid having them become part of the deferred maintenance backlog.

We are now well on our way towards knowing those answers, with more work to be done to achieve full implementation of our asset management system by the end of FY 2006. For example, we have learned from the work completed thus far that:

- our trails and campgrounds, while not perfect, are in reasonably acceptable condition;
- our wastewater treatment facilities, which are far less visible, meet code but need capacity and other upgrades; and
- many of our paved roads are in poor condition.

Information about asset conditions and priorities does not automatically tell us what to spend. We still need to decide whether to demolish—rather than repair—redundant facilities, for example. We also must decide whether to simply repair or, instead, upgrade a facility to larger capacity. These decisions depend upon overall management goals in relationship to visitor enjoyment and resource protection needs. The decisions will still be made by on-the-ground park managers, but they

will be more informed decisions, factoring in the information contained in the facility condition index and the asset priority index.

*Question 23a.* The National Park Service Park Police face unique challenges protecting icons from terrorist acts while making the sites accessible to the public. Your FY 05 budget request includes a \$3.3 million increase for the Park Police.

What has the Department of the Interior done in the past two years to improve National Park Service Park Police operations?

Answer. U.S. Park Police (USPP) responsibilities encompass a full range of law enforcement functions, including protection of the Nation's historic monuments, memorials, and institutions, and ensuring visitor safety to these same cultural icons of America. Increased visitor use and expansion of the National Park System, combined with homeland security responsibilities, continue to require the USPP to adapt to an increasingly complex mission. The Department has undertaken a comprehensive review of the USPP mission and budget, with the expectation that the USPP will be restructured to focus on certain core responsibilities, such as icon protection. In addition to this internal review, the NPS has contracted with the National Academy of Public Administration (NAPA) to conduct a similar study. This NAPA study is well underway and follows up on an effort that began in 2001.

*Question 23b.* What do you hope to, accomplish with the \$3.3 million increase?

Answer. The 2005 request builds on the U.S. Park Police budget that has been increased significantly in recent years. From FY 2001 through FY 2004, the U.S. Park Police operations budget has increased by \$20.3 million or 35 percent, as compared to the overall increase of four percent for Interior's programs. The 2005 budget includes \$81.2 million for USPP operations, a \$3.3 million increase from the 2004 enacted level. An increase of \$2.0 million will support security efforts under threat condition yellow requirements. Additionally, a one-time increase of \$1.0 million is included for costs related to the January 2005 presidential inauguration. The remaining \$317,000 part of the increase request is for uncontrollable cost changes, such as anticipated pay increases.

The 2005 request also includes funding to allow the Park Police to use the Department's integrated reporting system. An increase of \$2.2 million is budgeted in the National Park Service for this incident management, analysis and reporting system that will be used by the Park Police and park rangers.

*Question 24a.* The President's budget request for the Department of the Interior's Insular Areas program includes \$78.9 million in discretionary appropriations, which is an overall decrease of \$3.2 million from FY 2004.

A \$1 million increase has been requested for the development of performance indicators for all of the insular governments. Please describe this new initiative.

Answer. The \$1.0 million increase will support the development of consistent and useful performance indicators for all of the insular governments. This will strengthen core performance measurement and assessment activities such as statistical data collection, benchmarking, and surveying required for performance management planning.

*Question 24b.* The President's budget request reflects a \$5.3 million decrease for the rehabilitation of the water supply system for the Commonwealth of the Northern Mariana Islands, economic development assistance, and Enewetak support. Is it correct to assume that the decrease for Enewetak reflects the mandatory funding for the Enewetak food program recently provided by this Committee in the Compact of Free Association with the Republic of the Marshall Islands? Please explain the Administration's rationale behind the decrease for the Northern Marianas and overall economic development assistance.

Answer. Yes, the decrease in the OIA discretionary budget does reflect the move of the Enewetak support to permanent funding under the new Compact of Free Association. This freed up about \$1.3 million in discretionary funding that we are proposing to use for increased postal service costs and increased audit costs.

The decreases for the Northern Marianas and for overall economic assistance reflect lower priority funding that was added on as earmarks by Congress in the 2004 budget. The Department did not request to continue this funding in 2005 in order to fund higher Administration and Departmental priorities within the budget request.

*Question 25a.* The relationship between the United States and the Commonwealth of the Northern Mariana Islands ("CNMI") is governed by a 1976 Covenant (P.L. 94-241). Among other things, this law provides a \$27.7 million annual entitlement, the allocation of which is periodically renegotiated. The Committee was quite surprised to read a recent Departmental press release regarding an agreement between the U.S. and the CNMI amending the Covenant that was apparently initialed on February 9, 2004.

Why were these negotiations conducted—and an agreement initialized—without any consultation with the Congressional authorizing committees?

Answer. The Covenant to Establish a Commonwealth of the Northern Mariana Islands (CNMI) provides for multi-year periods of financial assistance and requires the President and the Governor to appoint special representatives to meet before the expiration of each financial assistance period and develop recommendations for future assistance. The agreement recently initialed by the Deputy Assistant Secretary of the Interior for Insular Affairs and the Lt. Governor of the CNMI, serving as appointed Special Representatives, does not amend the Covenant. The two Special Representatives reached an agreement on future financial assistance that can be implemented within existing law.

*Question 25b.* According to the press release, this agreement still needs approval from OMB and the Appropriations Committee. Is it the Department's position that there is no need for hearings and approval of any changes to the Covenant by this Committee?

Answer. Implementation of this agreement, which involves the discretionary allocation of funding within a mandatory total, will require approval from OMB and the Appropriations Committees through the budget process. While no new authorization is required, the Department will be happy to brief the authorizing committees and obtain their input on the financial assistance agreement.

#### RESPONSES TO QUESTIONS FROM SENATOR CRAIG

*Question 26.* In the fiscal year 2005 budget request, the Department of the Interior proposes instituting a cost recovery program for BLM activities, encompassing hardrock mining applications. The fact is that it is taking years—in some instances over a decade—to complete these permitting processes. According to a 2001 Behre Dolbear study looking at worldwide regulatory environments for mining activities, the regulatory process in this country is the most inefficient of all the countries studied.

Do you agree that a simple and very basic management practice to implement in the near term would be to put in place an adequate tracking system for these permit applications, both so that the Department could measure its own performance and so that Congress could perform better oversight of how long permit processing is actually taking?

Answer. Yes, the Department is committed to reducing the time of the permitting process. A tracking system would be one way to measure progress in that regard.

*Question 27.* I know your department is familiar with the recommendations of the 1999 National Research Council (NRC) report on "Hardrock Mining on Federal Lands". In one of its primary recommendations, that report urged Interior "to plan for and implement a more timely permitting process."

Has the Interior Department analyzed the NRC report recommendations? Have any of them been considered or implemented?

Answer. Yes. The BLM carefully reviewed the 1999 NRC report and has implemented many of its recommendations. For example, the BLM revised the regulations at 43 CFR subpart 3809—Surface Management. These regulations control the permitting process for the use of the public lands under the General Mining Law of 1872 and the Federal Land Policy and Management Act of 1976. The revisions established new bonding, inspection, compliance, and enforcement procedures for exploring and mining on the public lands under the General Mining Law.

#### RESPONSES TO QUESTIONS FROM SENATOR CAMPBELL

*Question 28.* The FY05 request includes \$109 million dollars for the DOI to conduct "historical accounting" activities. Is this amount for:

- a. conducting accountings for the *Cobell v. Norton* case pursuant to the Court Order of September 2003?
- b. conducting accountings for tribal lawsuits filed against the U.S. in recent years?
- c. Or for some other accountings that we're not aware of?

Answer. The FY 2005 budget request for Historical Accounting is \$109.4 million, an increase of \$65.0 million from the FY 2004 enacted level. The \$109.4 million will provide \$80.0 million for Individual Indian Money (IIM) accounting and \$29.4 million for tribal accounting.

The FY 2005 budget for IIM accounting is based on an estimate of the Department's costs to "begin full implementation of the *Historical Accounting Plan for Individual Money Accounts* after December 31, 2004. This plan is the plan the Department filed with the district court on January 6, 2003. The request is not based on

the Court Order of September 2003 which would require an accounting estimated to cost as much as \$13 billion. That order has been stayed pending its review by the Court of Appeals for the District of Columbia.

The amount of the request may be revised depending on how the Court of Appeals rules, and on whether Congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in FY 2004 Interior and Related Agencies Appropriation Act. The Department will continue to work with Congress and trust beneficiaries to reach a settlement on the historical accounting and related issues.

The \$29.4 million for historical accounting of tribal trust funds supports activities related to 25 current lawsuits filed by 19 tribes. The Office of Historical Trust Accounting (OHTA) expects to be involved in many of these cases and has already conducted a number of briefings for these tribes and tribal organizations. These briefings are a first step in the Department's efforts to address unresolved tribal accounting issues, and are a prelude to anticipated discussions and negotiations with tribes to develop tribe-specific work plans or other means to resolve the outstanding accounting issues and the litigation. In FY 2005, OHTA expects to complete reconciliation work regarding five tribes' trust fund accounts and image approximately three million pages and code 1.3 million tribal documents. To Support IIM reconciliation efforts, OHTA expects to image about five million pages of trust records and code more than one million documents.

*Question 29.* As you know, the FY 2004 Interior Appropriations Law provided a "cooling off period" through December 2004 during which your Department does NOT have to provide the accounting ordered by the Judge in September 2003 to give the Authorizing Committees some time to try and resolve the case without spending hundreds of millions of dollars on such accountings.

My question is this: given these facts, isn't it premature for Congress to appropriate \$109 million this year for such accounting activity?

Answer. No. The \$109 million request takes into account the "cooling off period." It is for activities to be conducted after December 2004. As we mentioned in the above answer, if the court or the Congress delineates specific historical accountings obligations of the Department that are different than the Department's plan, revisions would be proposed as needed.

If the Department did not request funding in FY 2005 to continue to implement the plan, or to conduct some other form of accounting as specified by the courts or Congress, then funds to implement that direction would be delayed until FY 2006.

*Question 30.* Indian country has been clamoring for more Consultation with your Department and with the Government generally on a whole host of issues. The FY 2005 Request includes \$1.1 million to create an Office of Tribal Consultation, which I surmise a lot of tribes would appreciate.

Can you elaborate on this proposal for the Committee?

Answer. The BIA FY 2005 budget includes an increase of \$1.1 million to formalize and institutionalize the consultation process with the 562 Federally-recognized American Indian tribes. This office will provide a stable, continuous point of contact for tribes and maximize both the financial and human resources needed to fulfill responsibilities to consult with tribes on the myriad of issues facing the BIA. This office will be responsible for the day-to-day activities and quarterly reporting on the status of all consultation issues, as well as a formal annual report on the outcome of consultation.

*Question 31.* 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 ten year fire average.

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

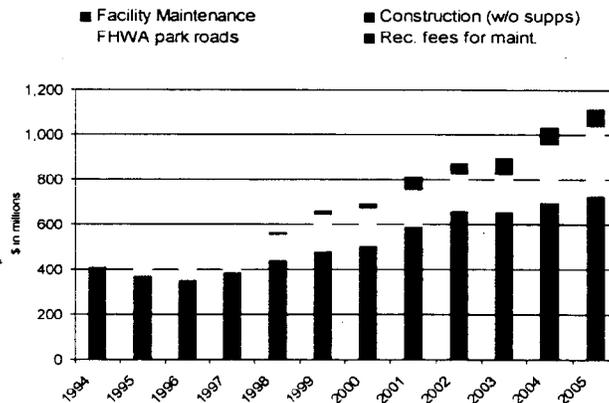
Answer. Budgeting for wildfire suppression is inherently difficult because future levels of fire activity cannot be predicted with precision. However, use of the 10-year suppression cost average has proved to be a reasonable and durable basis for suppression budgeting. Although suppression costs have 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.

It is worth mentioning that, as fire suppression costs increased over the last few years, so has the 10-year average. As a result, our FY 2005 budget request increases suppression funding to \$222 million. This is a \$28.6 million, or 15%, increase over the 2004 enacted level. It is a \$62.2 million, or 39%, increase over the original appropriation provided for this past fire season. Along with ongoing suppression cost control efforts, these funding increases should alleviate, whether in whole or in part, the need for supplemental funding in FY 2005.

*Question 32.* 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 FY 2005 budget for construction and maintenance to address this backlog has remained more or less constant over the past two 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.* Reducing the backlog of deferred maintenance in our national parks continues to be a high priority for the Administration. The chart below illustrates that commitment.

### NPS Deferred Maintenance Funding 1994-2005



This Administration has proposed in the 2005 budget a total of \$1.2 billion, a 37 percent increase over FY 2001, to address the deferred maintenance of park facilities and roads. Of this amount, \$724.7 million is proposed for NPS construction projects and for the Facility Maintenance program, an increase of \$24.7 million over 2004. An additional \$310.0 million for park roads is included in the Administration's legislative proposal to reauthorize the Highway bill, nearly doubling the \$165 million provided annually under TEA-21.

With this request, we are on track to exceed the President's goal of investing \$4.9 billion over five years. In the four budgets of this Administration, nearly \$3.9 billion has been proposed or appropriated. These funds are achieving tangible results. NPS tackled approximately 1,300 projects using repair and rehabilitation funding in just two years with another 400 anticipated to be done in FY 2004.

*Question 33.* As you know, only six animal species in the U.S. have ever been recovered by the Endangered Species Program in its thirty year existence and none have been de-listed in the last two decades. Unfortunately, more species have been de-listed due to extinction (seven) than recovery.

In light of these facts, can you explain why in the FY 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 overall reduction in the endangered species program is largely due to the elimination of pass through funding included in the 2004 Appropriations Act. While the work funded with these funds is recovery-oriented, it covers lower priority activities compared to other recovery actions included in recovery plans. The reductions in these pass through funds have been offset with substantial increases in related grant programs that support recovery of at-risk, threatened and endangered species. For example, the Landowner Incentive Program was increased by \$20 million, to \$50 million, and the Cooperative Endangered Species Conservation Fund increased by \$8 million, to \$90 million. The \$5.0 million increase for listing program activities is required to meet resource protection goals and address the growing litigation-driven workload. Taken as a whole, the President's budget reflects a contin-

ued 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.

*Question 34.* I noticed that while the overall DOI budget for wildland fire management remains fairly constant, there is a \$6.9 million decrease in monies for fire science. In light of the President's Healthy Forest Initiative, can you share the rationale for this decrease?

Answer. The President's Budget for the Department of the Interior does not reflect a decrease for the fire science program. The Department's request for Fire Science in 2005 is \$8 million, \$99,000 more than appropriated in 2004.

#### RESPONSES TO QUESTIONS FROM SENATOR SMITH

*Question 35.* Are you aware that the Bureau of Reclamation intends to bid the third phase of the Northwest Area Water Supply (NAWS) pipeline on February 26, 2004?

Answer. It is actually the State of North Dakota that is preparing to bid the third phase of the NAWS pipeline.

*Question 36.* Meanwhile, the House Appropriations Committee has asked for a report by March 1, 2004, on the issue of current corrosion criteria for pipelines. Has this report been made available? Is the current advertised bid following the recommendations of this report? If the report is not available, should the current bid be postponed until the report is available?

Answer. The House Appropriations Committee, in report language, asked Reclamation to conduct a study on the current corrosion criteria and to report to the Committee by March 1, 2004. The report requested by the Committee is not yet complete. We do not believe the State of North Dakota should postpone its planned bid.

*Question 37.* The Reclamation study was to address long-term value and cost-effectiveness for pipeline facilities. The report language specified that Reclamation should follow its current corrosion standard until the issue is resolved. Is the current bid following Reclamation's own current corrosion standard, which specifies a bonded coating for pipe over 24 inches in diameter? If not, why is the Bureau ignoring its own standard?

Answer. NAWS is a State of North Dakota project. Therefore it is not subject to Reclamation's standard. Through the Dakota Water Resources Act of 2000 (DWRA), pass-through funds are made available to M&I entities for projects which are not designed or constructed by Reclamation and which remain out of Federal ownership once construction is completed. Reclamation approved the State of North Dakota's specifications for the NAWS project which incorporated un-bonded polyethylene encasement on ductile iron pipe larger than 24 inches in diameter. The state's design for NAWS incorporates data from a detailed soil analysis performed along the pipeline route. This analysis was performed to determine the soil characteristics and the associated corrosion protection requirements necessary to adequately protect the pipe. The corrosion protection system was designed by a certified corrosion engineer in accordance with applicable industry standards for the option of steel pipe and also for the option of ductile iron pipe. The design was reviewed for adequacy by Reclamation as well as by an independent firm specializing in corrosion protection. Reclamation views the design as offering two viable pipe options.

Reclamation's current corrosion prevention guidelines are outlined in a table entitled "Corrosion Prevention Criteria and Requirements." The table currently recommends the use of polyethylene encasement with ductile iron pipe with diameters of 24 inches or less.

*Question 38.* Numerous recent studies have been done on corrosion that highlight the decaying state of the United States' infrastructure utilizing current industry standards. One report put the cost of corrosion for water systems at over \$19 billion per year. Does the requested report address the best current knowledge on how to improve this decaying infrastructure? Are there recommendations on how to improve the current industry standards?

Answer. Reclamation is reviewing corrosion prevention measures for pipe and is preparing a response on its findings. The review completed to date indicates a lack of scientific consensus across the industry regarding the use of un-bonded poly-

ethylene encasement on ductile iron pipe as part of a corrosion mitigation system. A final Reclamation decision on this issue is anticipated by December 2004.

*Question 39.* It is my understanding that the Fish and Wildlife Service's budget contains funds for land acquisition for refuges in the Upper Klamath Basin, and that this may be used toward acquisition of the Barnes Property? Can you tell me specifically how lands acquired with these funds will be managed? If the lands are inundated, how will the stored water be used? What benefit, in terms of certainty of supply, will there be to the project beneficiaries of the federal Reclamation Project as a result of these acquisitions?

*Answer.* The Service's budget contains \$4.578 million for acquisition of the 2,560 acre Barnes property, formerly part of Upper Klamath Lake which was converted from lake and emergent wetland habitat to agricultural lands in the 1960s. It has been identified as a key parcel in providing additional water storage capacity in the Upper Klamath Basin, and potential habitat for endangered fish and water birds. Lands acquired with these funds are to be managed as part of Upper Klamath Lake and would be inundated during winter and spring months and drawn down during summer months. Stored water, which is currently the limiting factor in the Project area, will be available for use by Project irrigators, by Refuges, and for anadromous fish species downstream of the Project.

*Question 40.* Several years ago, I sponsored legislation help facilitate participation by the Confederated Tribes of the Warm Springs as co-licensees of the Pelton Round Butte hydroelectric project in Oregon. It is my understanding that the parties have been involved in settlement negotiations over the past year for the relicensing of this project. Can you tell me the status of those discussions?

*Answer.* The parties have negotiated and resolved the major substantive issues, and will be meeting at the beginning of March to discuss final language and resolve any outstanding issues. The parties will then be working with FERC to obtain time to draft the formal settlement agreement.

#### RESPONSES TO QUESTIONS FROM SENATOR BUNNING

*Question 41.* The amount of funding for Abandoned Mine Land (AML) Program has not increased significantly over the past several years. Many states, including Kentucky, believe that the level of funding has prevented them from making significant headway in restoring areas affected by mining that pose a danger to residents around those mines. Why has the funding for the AML remained stagnant in recent years? Do you think that the Department of Interior's budget for Fiscal Year 2004 will enable states to adequately address and abate the abandoned mine hazards that threaten the health and safety of Kentucky coalfield residents?

*Answer.* We fully support the AML program, and recognize the importance of protecting people by reclaiming hazardous mine sites. The funding level for AML in FY 2004 was the best possible given competing budget priorities and other urgent funding needs. The President's budget for FY 2005 includes \$53 million in additional funding for the AML program. This additional funding will provide for the certified States and Tribes to receive their unappropriated balances on an expedited basis, over the next ten years, an increase over current funding levels of \$15 million. Paying the certified States and Tribes will remove them from the funding pool, which will free up more funding, \$38 million over current levels, for the States like Kentucky with on-going AML problems. This change to the program's allocation formula will provide Kentucky with sufficient funding to reclaim its currently recorded health and safety sites in 22 years.

*Question 42.* Kentucky has seen its annual appropriation from the AML fund decrease in recent years. The Kentucky program has seen less than one-half of the amount paid into the AML fund by coal operators. Despite the work that has been accomplished in Kentucky since the start of this program, many work remains to be done while new problems continue to manifest. Do you expect Kentucky's state share of the funding to be fully returned to it?

*Answer.* Yes. The Administration is committed to ensuring that each State receives its State share provided under the current law. The Office of Surface Mining estimates that under the Administration's reauthorization proposal, Kentucky would receive approximately \$390 million over the next 22 years. However, it is important to note that, based upon Energy Information Administration data, it is projected that even though Kentucky's production is estimated to remain relatively constant over the next 20 years, its percentage of the national total of coal produced will decrease. Thus, under the current allocation structure, Kentucky's future grants will continue to decline as it has over the past (e.g., \$281,369 decrease from 2003-2004).

Under the proposed legislation, reclamation grants to noncertified states like Kentucky would be based solely upon a state or tribe's historic production. In future

years, as other states complete their AML reclamation and those funds are redistributed to the remaining states, Kentucky's grant will increase giving it sufficient funds (approximately \$390 million) to reclaim its highest priority sites within 22 years instead of the 32 years projected under the current law. This exceeds the State share balance estimated to be approximately \$127 million as of September 30, 2004.

*Question 43.* The Administration's budget in recent years has counted receipts and disbursements of the AML Fund as funding for budgetary purposes other than for reclaiming abandoned mines. Does Fiscal Year 2005 budget stop this practice? If not, why does it not?

Answer. Yes.

*Question 44.* The AML Fund authorization expires on September 30, 2004. Does the Administration plan to submit legislative proposals to Congress to reauthorize the AML Program? If so, will the proposals incorporate my concerns about its operation?

Answer. Yes. The Administration's legislative proposal, the Abandoned Mine Reclamation Program Extension and Reform Act of 2004, was submitted on January 30, 2004. It was introduced by Senator Specter as S. 2049 on February 3 and by Representative Peterson as H.R. 3778 on February 4. As noted in the response to question 41, under the Administration's proposal, certified states and tribes would receive their unallocated state and tribal share balances as of September 30, 2004, subject to appropriations. As a result, certified States and tribes would no longer be part of the funding pool, making more money available for states like Kentucky to address ongoing AML problems. The Administration's proposal to restructure the AML program is designed to direct more of the AML funding to reclamation of high priority coal problem sites, thereby removing the dangers to those living in or near our Nation's coalfields.

#### RESPONSES TO QUESTIONS FROM SENATOR BINGAMAN

*Question 45a.* The Middle Rio Grande basin continues to struggle with the competing needs of water users and the requirements of the Endangered Species Act. Given the ongoing potential for serious conflict, I am very concerned that Reclamation's 2005 Budget cuts \$9.5 million from the Middle Rio Grande, leaving only \$5.9 million for ESA compliance efforts. I contrast this with the Klamath basin where the Budget proposes \$67 million among the different Interior agencies to address similar water issues (\$101 million from all federal agencies). Both of these river basins are mentioned as priorities in your Water 2025 initiative yet they are treated very differently in the Budget.

During the hearing you responded that the money requested in the FY 2005 Budget is sufficient for compliance with the biological opinion. But it is my understanding that the Department's own estimates are that the cost of complying with the 2003 biological opinion is approximately \$233 million. At the meager funding level proposed in the Budget, how will we be able to make significant progress in complying with the Endangered Species Act?

Answer. The funding within the request is sufficient to meet the requirements of the Biological Opinion and to accomplish the required maintenance of the channel. The level of funding for the project was based upon our assessment of the work that needs to be accomplished in the future within the context of Reclamation's overall funding level.

*Question 45b.* To avoid a water crisis similar to that experienced in the Klamath basin, I believe a multi-agency approach is needed to support river restoration and improved water management and conservation. Do you agree? If not, why?

Answer. We would agree that a multi-agency approach is the best method to resolve complex issues such as those in the Middle Rio Grande. The Bureau of Reclamation is working with the U.S. Fish & Wildlife Service and the U.S. Geological Survey along with State, local, and private entities to develop workable solutions.

*Question 46.* The Bureau of Reclamation recently issued a report describing the basis for the projected cost-overruns on the Animas-La Plata project. One of the factors leading to the enactment of the Colorado Ute Settlement Act Amendments of 2000, which allowed construction of the project to proceed, was the agreed-to reduction in both the scope and cost of the project. Obviously, the cost reductions will be smaller than that represented in the project planning report and EIS. What specific cost containment measures are being put in place to ensure that the costs of this project do not continue to escalate. Also, is there any chance that the actual costs will be less than that projected in the November 2003 report to the Secretary?

Answer. Reclamation has taken some aggressive actions to complete the Animas-La Plata Project in the most cost effective and efficient way possible. Reclamation

established a new construction office with the sole responsibility to construct the project, an organizational structure that we have full confidence in being successful. Reclamation has re-initiated and increased the level of coordination and consultation with the project sponsors so that they are properly involved in decisions on the project, and have developed a system to allow for open and complete cost accountability. Reclamation believes the new project cost estimate is adequate to complete the project provided indexing is accounted for.

*Question 47.* In October 2002, the Department appointed a federal negotiating team to assist in the settlement discussions taking place between the State of New Mexico and the Navajo Nation regarding the Navajo's water rights claims in the San Juan River basin. In December 2003, the State and the Navajo jointly released a draft settlement for public review and comment. It is my understanding that the Department's negotiating team has not provided any feedback to the parties regarding the proposed settlement. This seems to defeat the purpose of appointing a team. Will the Department provide any meaningful feedback to the Stag and Navajo Nation regarding the proposal? If not, why?

Answer. The Department of the Interior received the draft settlement from the State and the Navajo Nation in December 2003. The draft settlement is extremely complex and the Department is carefully considering it. The Department is gathering comments from the team, involved Departmental agencies, and Departmental officials. Upon completion of our internal review, we will we will engage in further discussions with the State and the Navajo Nation.

*Question 48.* For the third year in a row, the President is proposing to cut by half the funding that has historically gone to the Navajo Indian Irrigation Project (NIIP) for completion of that long-delayed project. My understanding was that the Department would return to increased funding levels once the Navajo Nation had reorganized the management structure of the Navajo Agricultural Products Industry, the entity that utilizes the water made available by NIIP. It's also my understanding that progress has been made in this reorganization.

Does the Department believe that progress has been made in the management of NIIP? If so, please explain the basis for the reduced funding in the 2005 budget. What is anticipated for future funding levels and what impact will this level of funding have on construction of the project?

Answer. Improvements have been made to the day-to-day operation of NIIP by the Navajo Nation. The Navajo Nation has also made improvements in their NAPI Management Board. There are, however, a number of unresolved issues with respect to the project. We have been involved in discussions with the Navajo Nation, and we expect those discussions to continue. We cannot predict at this time what our future funding level requests will be.

*Question 49a.* I have a strong interest in watershed management and restoration as a means of addressing natural resource problems. We have had some good success in New Mexico such as in the Rio Puerco Watershed.

What is the Bureau doing in this area?

Answer. We agree that the management of the Rio Puerco Watershed has been a success. The Rio Puerco Watershed Act (1996) created the Rio Puerco Management Committee (RPMC) to operate through 2006, and authorized \$7.5 million over 10 years. The RPMC is a collaborative organization consisting of State, Federal, and tribal entities, soil and water conservation districts, representatives of county government, residents from the rural communities within the watershed, environmental and conservation groups, and interested members of the public. It is charged with compiling information and developing best management practices to reduce erosion, increase native vegetation, and improve riparian habitat while supporting the watershed's rural, agrarian, and cultural traditions. The group is also operational in nature. The committee has many on-the-ground projects that have produced successful results. For example, the RPMC is working with private landowners in two degraded tributaries to the Rio Puerco to create a showcase water quality improvement project through erosion control, livestock grazing management, and control of undesirable vegetation.

*Question 49b.* How much funding in the FY05 Budget is devoted to watershed management and restoration.

Answer. For BLM, funding for watershed restoration and protection is drawn from several of the BLM's programs. Included in the FY 2005 Budget is a \$2.2 million increase in BLM's traditional Challenge Cost Share program to improve the health of watersheds and landscapes, sustain biological communities, and protect cultural and heritage resources by allowing the BLM to expand partnership opportunities and leverage funds.

*Question 49c.* What additional legal authorities would be useful to the Bureau in conducting watershed restoration activities?

Answer. Currently, we do not need any additional authority for these activities.

*Question 50.* Many parts of the West are experiencing a record drought. What is the Department doing to anticipate and address the effects of the drought? Are there any specific programs that are available to mitigate the impacts of drought on Indian reservations?

Answer. The Water 2025 initiative builds upon the western water initiative which was launched by Secretary Norton in FY 2004. Drought happens everywhere in the West at some time, and it is true we continue to deal with a major drought in many areas of the West. One of the key purposes of Water 2025 is to set forth a framework to identify the problems, solutions, and a plan of action to focus dialogue with state, local, tribal governments and the private sector to meet water supply challenges caused not only by natural drought, but also by exponential population growth and increased water demand. Water 2025 establishes four key tools designed to assist in preventing water crises: (1) Conservation, Efficiency and Markets; (2) Collaboration; (3) Improved Technology; and (4) Removal of institutional barriers and an increase in interagency coordination. The FY 2005 budget proposes a \$20 million program, which will include a competitive grant program, and increase of \$12.5 million from FY 2004.

The Bureau of Indian Affairs provides basic technical assistance in the area of Drought Management Planning. Drought planning helps tribal governments and their planning partners to move from crisis to risk management. Crisis management calls for impact assessments, response, and recovery through reconstruction. Risk management involves preparedness, prediction and early warning. When disaster does occur, mitigation is provided, typically through activities like trucking water to those in dire need. We provide mitigation to address immediate compelling needs. Through prediction and early warning, impacts can be significantly reduced. In addition, the USGS is prepared to provide adequate streamflow data and will continue to provide information on groundwater storage and depletion.

An example of our prediction development is found in the BIA's preparation of an Environmental Impact Statement (EIS) for a Drought Management Plan for Flat-head Lake, Montana. In the alternative development process in this EIS, the BIA developed advanced hydro-climate prediction methods allowing for an accurate (88% accuracy rate over the history of hydroclimate data collection) method for predicting drought at the beginning of each water year. Historically, hydroelectric project operators, flood control managers and others, waited for predictions developed using snow pack data which is not available until well into the winter months and after significant operational decisions have been made. This precedent setting effort allows for planning for the drought and early operational decisions that have the ability to significantly reduce the impacts of drought to tourism, recreation, farming, tribal fisheries management and a host of other activities.

*Question 51a.* There are critical water supply needs in rural America to be addressed and I believe it is appropriate federal policy to assist those small communities in meeting those needs. Last year, the President's budget provided no funding for several Congressionally authorized rural water projects. This year, fortunately, the Administration has changed course and has included funding for these projects (although at a lower level than enacted by the Congress).

The Budget document indicates that legislation will be proposed to establish formally a BOR rural water program. When can we expect to see this legislation?

Answer. A proposed bill authorizing a rural water program was transmitted to the Congress on March 3, 2004.

*Question 51b.* Does the Administration support providing across-the-board authorization for construction of such projects, or does it instead support authorization on a project-by-project basis?

Answer. The Administration supports construction authorizations on a project-by-project basis within the framework of an overall rural water program authorization.

*Question 51c.* The Budget in Brief document also references a restructuring of the 11 Federal programs that provide drinking water to rural communities. Please provide a list and description of these programs. What is the time frame for completing this restructuring?

Answer. The Administration is convening an interagency working group to study areas of overlap among the 11 different Federal programs that address rural water infrastructure needs, looking for potential efficiencies that can be gained from streamlining and consolidating program operations in order to improve service in these communities. Recommendations from this review will be incorporated into the President's 2006 Budget.

Below is a list of the specific programs being considered as part of this cross-cutting analysis (which will be augmented by a cross-cutting PART analysis); however, it is premature to say that any or all of these programs would be consolidated.

The working group will come up with a list of recommendations, which may include a broad range of potential actions, including consolidation of all or some of the programs. It is also possible that the federal efforts on rural water can be improved by taking less drastic actions, and the working group will consider those options as well.

- Department of the Interior, Bureau of Reclamation: rural water project;
- Environmental Protection Agency:
  - Drinking Water State Revolving Fund
  - Clean Water State Revolving Fund
  - Alaska Native Villages program
  - Mexico Border program
- Department of Agriculture, Rural Utilities Service: Water and Wastewater Disposal Loan and Grant Program;
- Department of Health and Human Services, Indian Health Service: Sanitation Facilities Construction program;
- Department of Commerce, Economic Development Administration: Economic Development Assistance Programs (EDAP);
- Denali Commission;
- Appalachian Regional Commission;
- Delta Regional Authority.

*Question 52.* Do you have the funding you need to provide for site security at the dams, monuments and other critical infrastructure administered by the Department?

Answer. Yes. Congress has been very responsive to the Department's requests for additional funding for site security at the dams, monuments and other critical infrastructures. Following the events of 9/11/01, there have been several enhancements to our security programs, both through increased base funding and through supplemental appropriations. The improvement of our security posture is an ongoing process, and we have a number of security studies are still underway. We have attempted to be very disciplined in our approach to these matters by completing our various security assessments before seeking additional funding from Congress. As we complete the assessments that are still in progress, it may be necessary to seek additional funds through the normal appropriations process.

*Question 53.* The Budget request for the Bureau of Reclamation reflects a significant decrease in funding for wastewater recycling and reuse projects. Why?

Answer. The Program Assessment Rating Tool (PART) review completed during development of the 2004 budget for Title XVI (Water Reclamation Reuse and Recycling) determined that Reclamation did not have well determined long-term goals. The annual performance accomplishments were difficult to control because local non-Federal sponsors implement projects, and Reclamation does not control construction schedules. Reclamation is developing improved performance measures and a web site to make it easier for clients and the general public to track progress in constructing projects and developing reclaimed water supplies. The Administration is concerned about new earmarked projects for this program, and is focusing resources on finishing construction of the originally authorized projects. While the Administration supports the widespread use of water reuse and recycling technology, this type of project is primarily a state and local responsibility.

The water treatment technology development component of Water 2025 seeks to find ways to reduce the high cost of water treatment such as desalination so that it can be utilized and applied on a broader scale.

*Question 54.* What rulemakings is the Department anticipating during the remainder of FY04 and FY05? Please list these rulemakings (including draft and final rules) by subject matter and Bureau with expected date of publication.

Answer. Enclosed is a copy of the Department's semiannual agenda of regulatory actions as published in the Federal Register on December 22, 2003. The agenda is a comprehensive listing of all proposed and final regulations that the Department expects to publish, along with anticipated publication dates. The semiannual agenda has been published every Spring and Fall since 1983 as required by the Regulatory Flexibility Act. The current agenda is also available online at <http://www.gpoaccess.gov/ua/index.html>.

*Question 54a.* Will you commit to consulting with us prior to the issuance of draft and final rules?

Answer. The Department and its bureaus will strive to ensure that you are afforded every opportunity to comment on proposed and final rules, as appropriate.

*Question 54b.* What Solicitor's Opinions are currently under review? What Solicitor's Opinions do you expect to review during the remainder of FY04 and FY05? Please provide a list.

Answer. At this time, there are no Solicitor's Opinions under review or planned for review.

*Question 54c.* The Budget Highlights document indicates that for many Bureau accounts, uncontrollable costs will be "absorbed". For each account where this is indicated, please explain how these costs will be absorbed and what activities, if any, will be cut as a result.

Answer. The 2005 budget assumes a 2005 pay raise of 1.5% and funds pay and other fixed costs at about 56% of the total need. Within this amount the budget fully funds selected fixed costs including workers and unemployment compensation, GSA rent, and payments to the centralized billing portion of the Department's Working Capital Fund.

The budget funds a portion of the 2004 and 2005 pay raise and health benefit cost increase, the balance of these costs, \$55.4 million, are absorbed by each bureau and program. The Department believes that this absorption can be successfully managed through improved efficiency and productivity, as well as savings from management reform initiatives.

*Question 55.* We understand that the Department is engaged in an outsourcing initiative. Please provide the Committee with specific information on a Bureau-by-Bureau basis as to how this initiative is being implemented. What lay-offs or reductions in FTE's have occurred and what are anticipated in each of the Bureaus? Please provide a list of positions and functions that have been and will be outsourced in each bureau.

Answer. The Department has a competitive sourcing review process underway as part of the President's management agenda. This is not an outsourcing initiative. As part of our competitive review process, the Department has completed studies covering more than 2,617 FTE to date and has studies underway covering approximately 600 FTE. Interior is about to announce studies involving another 2,000 FTE. Of the 2,617 positions studied to date, 1,102 have been maintained in house and 1,515 have been contracted out. Throughout this process, no permanent Interior employees have lost their jobs. In instances where activities were contracted out, vacancies were eliminated, personnel retired, or permanent employees were placed elsewhere in the organization.

The Department is compiling the list requested by the Committee and that information will be provided under separate cover.

*Question 56a.* The Budget materials repeatedly reference a PART review process. Please describe the process. How were programs selected for review? Please provide a listing of all the program of the Department that were reviewed under this process and the outcome of the review. Please provide a copy of the PART analysis and any report with respect to each program of the Department that was the subject of the PART review.

Answer. The PART is a standardized program evaluation which consists of approximately 30 questions. It examines four areas of assessment—purpose and design, strategic planning, management, and results and accountability. The first set of questions gauges whether the programs' design and purpose are clear and defensible. The second section involves strategic planning, and weighs whether the agency sets valid annual and long-term goals for programs. The third section rates agency management of programs, including financial oversight and program improvement efforts. The fourth set of questions focuses on results that programs can report with accuracy and consistency. The answers to questions in each of the four sections result in a numeric score for each section from 0 to 100 (100 being the best). These scores are then combined to achieve an overall qualitative rating of either Effective, Moderately Effective, Adequate, or Ineffective.

Programs that do not have acceptable performance measures or have not yet collected performance data generally receive a rating of Results Not Demonstrated. The PART helps determine a program's strengths and weaknesses and focuses particularly on a program's performance. The PART is best seen as a complement to traditional management techniques, and can be used to stimulate a constructive dialogue among program managers, budget analysts, and policy officials. The PART findings and recommendations are intended to provide useful information in making spending, management and other decisions on programs. For more detailed information regarding PART guidance and PART worksheets, you can refer to the OMB website at [www.omb.gov/part](http://www.omb.gov/part).

OBM Guidance indicates that program selection should reflect activities that are important and meaningful operationally in terms of management and budget decisions. Each year, the Department works with OMB to select 20 percent (based on budget amounts) of our programs for review. The selection process considers such factors as program size, availability of or need for independent management review information, potential for cross bureau synergies in undertaking program reviews,

and other factors relating to management needs. Program selection is a shared responsibility between agencies and OMB. In each of the previous two fiscal years, Interior and OMB officials met to establish the final list of programs that would be evaluated using the Program Assessment Rating Tool (PART). The Administration's annual evaluation target of twenty percent of programs was based on the percent of the total Interior budget or the percent of total programs, depending on the specific bureau.

*Question 56b.* What programs are currently being reviewed under the PART process?

Answer. Attached is a listing of all the programs of the Department that were reviewed under this process and the outcome of the review and a copy of the PART analysis. Final decisions on programs to be reviewed for 2006 have not been made.

*Question 57.* The Committee did not receive the Fiscal Year 2005 Budget Justifications, for many of the agencies within the Department prior to the Committee's hearing on the Department's Budget. This hindered preparation for the hearing. Can we get your commitment that all of the Budget Justifications will be provided to the Committee for next fiscal year on the day that the President's Budget is transmitted to the Congress?

Answer. We cannot commit that all budget justifications will be provided to the Committee on the day the President's budget is transmitted to the Congress. The Interior budget is extremely complex, and the budget justifications often are more than 4,000 pages. Because of the length and complexity of these documents, the Department is not able to complete all justifications by the date of release of the President's budget. This is not a new problem, but dates at least to the change in the fiscal calendar in the 1970's. Recognizing this problem, and to provide the Congress and the public an overall picture of the Interior budget, the Department annually prepares its Budget in Brief document for release with the President's budget. We are working hard to further expedite the completion of the budget justifications.

*Question 58.* What activities is the Bureau (MMS) undertaking with respect to site security? Is the Budget request adequate in this regard?

Answer. In FY 2003, MMS provided critical support to the U.S. Coast Guard (USCG) in developing maritime security regulations that will ultimately help safeguard our Nation's most important oil and gas facilities on the OCS. MMS was instrumental in developing the "threshold characteristics" that the USCG will use to determine which of the more than 4,000 fixed and floating facilities would be subject to specific security measures mandated by the Maritime Transportation Security Act of 2002. In addition, MMS has worked with the American Petroleum Institute to develop industry-wide recommended security practice, "RP70 Security for Offshore Oil and Natural Gas Operations." MMS also revised the "OMM Threat Advisory Guidelines for OCS Operations" and Emergency Notification System Standard Operating Procedures to improve the Bureau's response during a crisis. MMS continues to actively participate in regional coordination groups to increase vigilance, identify potential security risks, and establish procedures for communication and reporting suspicious occurrences near offshore production and transportation facilities.

In FY 2004, the Bureau is increasing its focus on improving OCS security awareness and prevention measures and providing a similar emphasis to that traditionally afforded to response and recovery. MMS is working closely with the Naval Engineering Facilities Center to develop a security awareness training program for all MMS personnel that routinely go offshore. In FY 2005, MMS will work to incorporate measures in support of the new Homeland Security Presidential Directive 7, and continue to work with the USCG, industry, and other appropriate federal and state agencies to improve OCS security. The budget is adequate to support efforts planned for 2005.

*Question 59.* The Budget highlights book indicates the inclusion of \$1.9 million to "acquire new interpretive tools to support Gulf of Mexico oil and gas evaluations and estimates." Please describe.

Answer. Geological Interpretive Tools (GIT) were implemented in the MMS in December 1993 and have been routinely used in support of mission goals since 1995. GIT allows the MMS to maintain technological parity with the private sector in order to ensure accurate evaluations for fair market value determinations, field determinations for new producible leases, gas hydrates, royalty relief, unitization, reservoir analysis conservation, and shallow hazards processes. The accurate and improved quality of interpretation allows for better evaluations and estimates.

The cost of keeping pace with the private sector is significant. The private sector has embraced or developed new technology to meet the increasing challenge of competition in exploring for petroleum resources. Major technological advancements include 3-D depth migration, which provides imaging of complex structures, and 4-D and 4-C seismic acquisition. Improved interpretation techniques include amplitude

versus offset (AVO), coherence/variance cube technology, and visualization technologies.

A detailed description of the interpretative tools proposed for funding in the budget and their supporting activities follow:

*3-D Visualization Room (\$750,000)*

A visualization room is a major technology implemented by operators to minimize risk. Visualization is used for multi-disciplinary teamwork, project review sessions, detailed project work, and data quality assurance. Visualization technology allows faster and more accurate evaluation and validation of geologic resource interpretations. Efficiencies stem from increased collaboration where multiple people can view, evaluate, and analyze data and interpretations at one session. Visualization rooms have been in use in the private sector since 1997, and over 100 have been installed in the world for use by the oil private sector.

*Geological Interpretive Tools (GIT) Training (\$200,000)*

To keep costs minimized, GIT training is provided using the train-the-trainer concept. Under this program, software champions are provided expert training and in turn train other users of the software. Unfortunately, it takes an extended period of time for a champion to become a software expert and this sometimes delays critical training. With the implementation of visualization technology, upgrades to critical software, and the integration of existing technologies from the Offshore Minerals Management (OMM) OCS Connect initiative, technologies will be introduced too quickly for the train-the-trainer approach. The train-the-trainer approach needs to be supplemented or the implementation of critical new technologies will be delayed, the immediate benefit will be lessened, and the return on investment of the new technologies may be delayed. In order to maximize benefits, training will need to be contracted directly with software vendors for 150 scientists in the GOMR.

*Digital Well Log Contract (\$543,000)*

For the GOM to meet its mission objectives, particularly with respect to fair market value, royalty relief determinations, and conservation of resource decisions, the use of state-of-the-art Geological Interpretive Tools (GIT) software is required. To use the full interpretive potential of the GIT software, accurate, complete, and properly processed workstation-ready digital well log data are required. An additional \$543,000 is required to fully fund all of the tasks outlined in the Digital Well Log contract and provide the advanced processing techniques necessary to provide the MMS with digital curve data comparable to that used by the private sector.

*Seismic Data Management Contract (\$450,000)*

The MMS acquires seismic data needed to perform critical functions in the Offshore Program, i.e., tract evaluation, field determinations of producible leases, royalty relief, unitization, reserves inventory, etc. Tremendous amounts of seismic data are in the OMM inventory, which exceeds 16 terabytes. These data are mostly received in the private sector standard digital SEG-Y format, and are analyzed by the MMS's geoscientists using the Geological Interpretive Tools (GIT). The seismic data are stored on magnetic tape in their original SEG-Y format. The data that are used, or expected to be used, by the geoscientists are stored on line on hard disks in the proprietary format required by GIT.

The goal of this initiative is to have a geophysical data service company to act on a continuing basis as OMM's storage/archive facility for the original format data (SEG-Y), and to serve as the repository of these data, actively managing the data to ensure they are recoverable when needed, and to deliver the data to OMM electronically as communication technology permits. The geophysical data service company would also be the repository that the public would be directed to, as the data become nonproprietary. The data would be released to the public at a nominal service fee paid to the service company.

*Question 60.* With respect to legislation to grant the Secretary authority to authorize non-oil and gas energy projects on the OCS, do you believe the Secretary should be given discretion to establish reasonable forms of payment, including those based on energy production or throughput? How can the Secretary ensure that the public receives fair market value for the use of the OCS?

*Answer.* In support of the President's National Energy Policy recommendation to simplify permitting for energy production in an environmentally sensitive manner, the Administration developed a legislative proposal in 2002 to facilitate the permitting and development of alternative energy-related projects on the Outer Continental Shelf (OCS). The legislative proposal would amend the Outer Continental Shelf Lands Act (OCSLA) to set up a comprehensive framework for permitting alternative energy-related uses on the OCS not already expressly covered by existing

statutes. Placing this authority under the OCSLA, which already provides the statutory framework for oil, gas, and other mineral activities, will allow the Department to build on many of the provisions already embodied in that Act, including: the authority to coordinate with and enter into agreements with other federal agencies; requirements for occupational safety for activities; authority for site access to facilities; and the authority for imposing civil and criminal penalties. Using the OCSLA as the umbrella statutory authority will allow the Department the flexibility to tailor the Act's relevant provisions to innovative alternative energy-related activities.

The legislation would provide for the sound management of offshore public lands by ensuring that principles of safety, environmental protection, multiple use, fair compensation, and conservation of resources are all addressed before a project is initiated. The legislation would protect the public's interest in capturing fair market value for the use of the Federal OCS by authorizing the Secretary to require an appropriate form of payment such as a fee, rental, or other payment for use of the seabed. In the case of an easement or right-of-way, the Secretary would be permitted to issue that easement or right-of-way on either a competitive or non-competitive basis. In addition, the Secretary would be able to require financial surety to ensure that any facilities constructed are properly removed at the end of their economic life.

The Administration's proposed bill included the following language: "The Secretary shall establish appropriate forms of payment for any easement or right-of-way granted under this paragraph, which may include, but is not limited to fees, rentals, or cash bonus payments." Both the conference report on H.R. 6 and S. 2095 revise that language by adding the statement that "Such payments shall not be assessed on the basis of throughput or production." While the Administration's original bill would give the Secretary greater discretion in setting payments, both versions allow sufficient flexibility to ensure the receipt of fair market value.

*Question 61.* The MMS recently completed a rulemaking relating to natural gas production from deep wells in shallow waters of the OCS. Do you believe that legislation on this topic is necessary? What budgetary impacts are expected as a result of this initiative?

Answer. The Department has not requested legislation at this time and has not taken a position on whether legislation on this topic would be necessary.

Our analysis shows that significant new Federal revenues will be generated from fields which would not be otherwise developed. While this program will reduce Federal OCS royalty collections initially [\$1.1 billion or 3% over the rest of this decade], it will raise royalties in later years [\$1.4 billion or 4% over the next decade] because of the new gas production that it generates above what otherwise would have been produced and in amounts beyond the royalty suspension volumes.

*Question 62.* The use of AML funds for the reclamation of non-coal sites is very important in New Mexico. What changes does the Administration's proposed legislation make in the ability of states to use AML funds for non-coal reclamation? Please describe and include references to the relevant sections of the legislation that make these changes.

Answer. The Administration's legislative proposal, which was introduced on February 3 as S. 2049 and on February 4 as H.R. 3778, would not impose any additional restrictions on the expenditure of AML funds on non-coal sites for States and tribes that have not certified the completion of all coal-related reclamation.

Under section 409 of SMCRA, the Secretary is authorized to approve the expenditure of AML funds for qualifying non-coal sites upon request by the Governor of a State or the head of the governing body of an Indian tribe. The proposed legislation retains this provision for non-certified states.

Section 402(g)(1) of SMCRA currently allocates 50 percent of all reclamation fees collected from operations within the jurisdiction of a State or Indian tribe to that State or tribe. Once a State or tribe certifies the completion of all coal-related reclamation, the State or tribe may use grants awarded from the State-share allocation to reclaim non-coal sites.

In keeping with the effort to focus on the reclamation of high-priority, coal-related sites, the Administration's legislative proposal would end the State-share allocation currently found in section 402(g)(1) and remove the authorization for the Secretary to make grants to certified States and tribes for non-coal reclamation. However, section 102(6) of the legislative proposal would add a new section 401(d)(2) to SMCRA, which, among other things, would authorize certified States and tribes, subject to appropriation, to receive distributions of the currently unappropriated balance of their State-share allocations over ten years. State and tribes could use those funds for any purpose that they desire, including the reclamation of non-coal sites.

*Question 63a.* The OSM 2005 budget request includes a \$53.3 million increase in the Abandoned Mine Reclamation Program. Legislation transmitted by the Adminis-

tration to reauthorize that program indicates that \$53.3 million will be paid each year for 10 years to the states and tribes that have certified completion of their coal-related work.

1. Please provide a list of which states and tribes are certified and will receive payment and how much will be paid to each.

Answer. To date, six State and Tribal AML programs have certified that all of their coal reclamation has been completed. Although it has not formally certified to date, the Crow Tribe is eligible to certify. The Administration proposes to pay these States and Tribes the amount of their respective State Share balances as of September 30, 2004. The balances will be returned over the next 10 years in annual payments.

| State/Tribe         | Estimated annual payment amount (rounded in millions) |
|---------------------|---|
| Louisiana .....     | \$ 0.1  |
| Montana .....       | 4.7   |
| Texas .....         | 2.0   |
| Wyoming .....       | 41.9  |
| Crow Tribe .....    | 0.8   |
| Hopi Tribe .....    | 0.6   |
| Navajo Nation ..... | 3.0   |
| <b>Total .....</b>  | <b>\$53.0</b>   |

It is important to note, however, that these payments to the certified states and tribes over the next ten years free up the money that would have gone to these states and tribes in the form of regular grants. Thus, by making these payments to the certified states, an additional \$38 million dollars is made available to the noncertified states each year over the life of the program.

*Question 63b.* What amounts will be paid to states and tribes that certify after September 30, 2004?

Answer. Upon certification, the Administration is committed to paying each State and tribe any remaining balance that has accumulated in its State share account. This balance will be paid out within the same ten-year period as those states that were certified before September 30, 2004, i.e., by 2015.

*Question 63c.* What is the rationale for lowering the AML fee?

Answer. The Administration's proposal attempts to balance eastern and western interests while focusing on more quickly cleaning up real health and safety threats. At this time we are collecting fees far faster than they can be spent on reclamation. As a result, a large balance has accumulated in the AML Fund. We can phase in a reduction in the next several years so that what we collect is comparable to what we spend. As a bonus, we expect the reduction in the fee to be passed on to coal customers, largely electrical utility companies, which could result in savings for electricity consumers.

Under the current system, because so much of the money collected goes into state share accounts and does not go toward reclaiming mined lands, we will have to collect \$6.8 billion to get the \$3 billion we need to clean up the remaining high-priority problems. That would take about 23 years. If, instead, we are able to spend the money where it is needed most, then we will only need to collect another \$3.6 billion.

*Question 63d.* Does SMCRA currently provide authority for the extension of the AML fee?

Answer. Yes, but the extension of the fee is for the purposes of the United Mine Workers of America Combined Benefit Fund (CBF), not for the purposes of AML reclamation. Section 402(b) of SMCRA currently specifies that, after September 30, 2004, "the fee shall be established at a rate to continue to provide for the deposit referred to in subsection (h)." Section 402(h) requires that interest earned by and paid to the AML fund be transferred to the United Mine Workers of America Combined Benefit Fund for debit against that Fund's unassigned beneficiaries' premium account.

*Question 64.* The Budget highlights book indicates that of the increase in the wild horse and burro program, \$10.5 million will be offset with decreases to "programs that will benefit from achievement of appropriate management levels and with reductions to lower-priority activities." Please provide a list of these programs and activities together with their funding levels in fiscal years 2004 and 2005.

Answer. The table below shows the 2004 enacted level, the 2005 request level, and the 2005 reduction associated with the Wild Horse and Burro proposal.

|      |  | 2004<br>enacted | 2005<br>budget<br>request | 2005 WHB<br>reduction |
|------|--|-----------------|---------------------------|-----------------------|
|      | Management of Lands and Resources          |                 |                           |                       |
| 1010 | Soil, Water, and Air .....                 | \$36,038        | \$34,238                  | -\$948                |
| 1020 | Rangeland Management .....                 | 72,459          | 68,204                    | -1,907                |
| 1030 | Forestry Management .....                  | 8,093           | 9,025                     | -106                  |
| 1040 | Riparian .....                             | 22,015          | 21,540                    | -579                  |
| 1050 | Cultural Resources Management .....        | 15,479          | 15,142                    | -407                  |
| 1060 | Wild Horses & Burros .....                 | 29,051          | 39,612                    | 0                     |
| 1110 | Wildlife Management .....                  | 22,387          | 25,428                    | -295                  |
| 1120 | Fisheries Management .....                 | 11,711          | 12,456                    | -308                  |
| 1150 | Threatened & Endangered Species .....      | 21,940          | 21,452                    | -576                  |
| 1210 | Wilderness Management .....                | 17,673          | 16,677                    | -465                  |
| 1220 | Recreation Resources Management .....      | 44,603          | 43,209                    | -574                  |
| 1420 | Cadastral Survey .....                     | 16,691          | 13,768                    | -39                   |
| 1430 | Land and Real Management .....             | 34,635          | 35,563                    | -105                  |
| 1610 | Resource Management Planning .....         | 48,510          | 50,056                    | -638                  |
| 1630 | Resource Protection & Law Enforcement .... | 16,283          | 15,042                    | -192                  |
| 1640 | Hazard Mgmt. & Resource Restoration ....   | 16,497          | 16,080                    | -479                  |
| 1651 | Operations Management .....                | 6,311           | 6,151                     | -1,661                |
| 1652 | Annual Maintenance Management .....        | 31,846          | 31,045                    | -838                  |
| 1653 | Deferred Maintenance Management .....      | 12,349          | 11,036                    | -325                  |
| 1654 | Infrastructure Improvement .....           | 31,027          | 28,236                    | -816                  |
| 4550 | Land & Resource Info. Systems .....        | 18,757          | 18,317                    | -493                  |
| 1810 | Information Systems Operations .....       | 18,527          | 19,928                    | -244                  |
|      |  |                 |                           | -\$10,500             |

*Question 65.* What assumptions does the FY05 Budget make with respect to leasing in the Arctic National Wildlife Refuge?

Answer. The budget assumes that legislation will be enacted in the upcoming congressional session authorizing leasing in the ANWR. The first lease sale would be held in FY 2006, producing \$2.4 billion in receipts from bonuses that would be shared 50/50 between the Federal government and the State of Alaska. The Federal share of the bonuses from the first sale would be transferred to DOE for energy conservation programs. Subsequent sales would be held in FY 2008 and 2010 with bonuses estimated at \$100 and \$50 million, respectively.

*Question 66.* What is the total amount of funding for the oil and gas I&E program included in the request for FY05? Please provide a table showing the funding for this program (both requested and enacted) for the previous 6 years.

Answer. The BLM's 2005 budget request does not specify a funding amount for oil and gas Inspection and Enforcement (I&E). The BLM estimates that I&E funding in 2005 will be about the same as 2004. Those specifications are done within BLM after the budget has been enacted. The following is a table showing the BLM's I&E program funding over the last six years.

|                              | FY 1999    | FY 2000    | FY 2001    | FY 2002    | FY 2003    | FY 2004    |
|------------------------------|------------|------------|------------|------------|------------|------------|
| Enacted I&E<br>Funding ..... | 14,850,000 | 15,365,000 | 20,042,000 | 22,673,000 | 24,000,000 | 26,000,000 |

*Question 67.* What is the total amount of requested funding for oil and gas NEPA compliance for FY05? Please provide a table showing the funding for NEPA compliance (both requested and enacted) for the previous 6 years.

Answer. The BLM's 2005 budget request does not specify a funding amount for NEPA compliance within the Oil and Gas program. Similarly, the costs of NEPA compliance are not individually tracked within BLM's oil and gas financial management system. They are aggregated across various portions of BLM's oil and gas budget, such as APD processing and inspection and enforcement.

The following is a table which estimates BLM's NEPA compliance in the Oil and Gas program over the last six years.

|                         | FY 1999   | FY 2000   | FY 2001   | FY 2002    | FY 2003    | FY 2004    |
|-------------------------|-----------|-----------|-----------|------------|------------|------------|
| Estimated Funding ..... | 9,000,000 | 9,500,000 | 9,600,000 | 10,000,000 | 10,500,000 | 11,750,000 |

*Question 68.* What is the total backlog of APDs? Please provide a table showing the backlog over the last three years.

Answer. The following is a table showing the number of APDs that were pending (on Federal and Indian lands) at the end of each of the last three fiscal years, as well as the number pending as of February 13, 2004. A portion of the increase in pending APDs at the end of FY 2003, versus the end of FY 2002, is attributable to an increase in proposals to develop coalbed natural gas resources in the Powder River Basin in Wyoming.

#### APDs PENDING AT THE END OF THE FISCAL YEAR

|                    | FY 2001 | FY 2002 | FY 2003 | As of 2-13-2004 |
|--------------------|---------|---------|---------|-----------------|
| Pending APDs ..... | 2,845   | 2,386   | 3,080   | 2,886           |

*69.* How many APD's did you issue during the last fiscal years? Please provide a table displaying this information on a state-by-state basis.

Answer. The following is a table showing the number of APDs issued on Federal and Indian lands during the last four fiscal years, by state.

#### APDs APPROVED

| Geographic State    | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|---------------------|---------|---------|---------|---------|
| Alabama .....       | 0       | 2       | 0       | 8       |
| Alaska .....        | 11      | 34      | 13      | 6       |
| Arkansas .....      | 5       | 2       | 2       | 6       |
| California .....    | 117     | 74      | 108     | 73      |
| Colorado .....      | 169     | 227     | 189     | 254     |
| Kansas .....        | 8       | 6       | 3       | 7       |
| Kentucky .....      | 0       | 2       | 2       | 0       |
| Louisiana .....     | 8       | 5       | 0       | 15      |
| Michigan .....      | 1       | 3       | 0       | 0       |
| Mississippi .....   | 6       | 6       | 4       | 14      |
| Montana .....       | 139     | 119     | 130     | 211     |
| Nevada .....        | 0       | 0       | 5       | 0       |
| New Mexico .....    | 916     | 1,057   | 1,117   | 1,127   |
| New York .....      | 0       | 0       | 2       | 0       |
| North Dakota .....  | 16      | 43      | 54      | 53      |
| Ohio .....          | 1       | 8       | 0       | 4       |
| Oklahoma .....      | 12      | 4       | 5       | 9       |
| Pennsylvania .....  | 0       | 0       | 0       | 0       |
| South Dakota .....  | 1       | 2       | 4       | 1       |
| Texas .....         | 15      | 19      | 16      | 25      |
| Utah .....          | 300     | 420     | 434     | 319     |
| Virginia .....      | 0       | 1       | 0       | 0       |
| West Virginia ..... | 2       | 2       | 1       | 1       |
| Wyoming .....       | 1,686   | 1,827   | 1,638   | 1,626   |
| Total .....         | 3,413   | 3,863   | 3,727   | 3,759   |

*Question 70.* How many acres have you put under oil and gas lease during each of the past three fiscal years. Please display this indicating how many acres were leased competitively and how many were leased noncompetitively. Also please display on a state-by-state basis.

Answer. The following are six tables showing the acreage, by state, of both competitive and non-competitive leases.

## COMPETITIVE OIL AND GAS LEASES ISSUED

[FISCAL YEAR 2001]

| State              | Leases | Acres     |
|--------------------|--------|-----------|
| Alabama .....      | 3      | 4,205     |
| Arizona .....      | 18     | 14,138    |
| Arkansas .....     | 36     | 52,302    |
| California .....   | 37     | 23,296    |
| Colorado .....     | 520    | 502,818   |
| Kansas .....       | 3      | 599       |
| Louisiana .....    | 8      | 547       |
| Mississippi .....  | 27     | 15,189    |
| Montana .....      | 170    | 236,312   |
| Nebraska .....     | 3      | 7,046     |
| Nevada .....       | 133    | 173,353   |
| New Mexico .....   | 192    | 107,762   |
| North Dakota ..... | 72     | 36,780    |
| Oklahoma .....     | 26     | 8,539     |
| South Dakota ..... | 27     | 37,906    |
| Texas .....        | 71     | 59,129    |
| Utah .....         | 121    | 145,087   |
| Washington .....   | 17     | 13,497    |
| Wyoming .....      | 1,007  | 1,057,382 |
| Total .....        | 2,492  | 2,495,887 |

## NON-COMPETITIVE OIL AND GAS LEASES ISSUED

[FISCAL YEAR 2001]

| State              | Leases | Acres     |
|--------------------|--------|-----------|
| Alabama .....      | 1      | 281       |
| Arizona .....      | 6      | 21,446    |
| Arkansas .....     | 53     | 119,447   |
| California .....   | 5      | 1,994     |
| Colorado .....     | 9      | 190,071   |
| Louisiana .....    | 1      | 59        |
| Mississippi .....  | 1      | 69        |
| Montana .....      | 158    | 310,181   |
| Nebraska .....     | 1      | 80        |
| Nevada .....       | 162    | 573,047   |
| New Mexico .....   | 11     | 10,286    |
| North Dakota ..... | 13     | 12,905    |
| Oregon .....       | 5      | 4,272     |
| South Dakota ..... | 26     | 53,974    |
| Texas .....        | 4      | 236       |
| Utah .....         | 73     | 139,498   |
| Washington .....   | 3      | 2,800     |
| Wyoming .....      | 90     | 105,558   |
| Total .....        | 704    | 1,446,304 |

## COMPETITIVE OIL AND GAS LEASES ISSUED

[FISCAL YEAR 2002]

| State            | Leases | Acres   |
|------------------|--------|---------|
| Alabama .....    | 9      | 4,185   |
| Arkansas .....   | 67     | 33,086  |
| California ..... | 48     | 26,359  |
| Colorado .....   | 372    | 371,787 |
| Illinois .....   | 1      | 112     |
| Kansas .....     | 4      | 2,378   |
| Kentucky .....   | 1      | 441     |

## COMPETITIVE OIL AND GAS LEASES ISSUED—Continued

[FISCAL YEAR 2002]

| State              | Leases | Acres     |
|--------------------|--------|-----------|
| Louisiana .....    | 9      | 3,033     |
| Michigan .....     | 4      | 3,939     |
| Mississippi .....  | 88     | 32,676    |
| Montana .....      | 142    | 110,133   |
| Nevada .....       | 35     | 36,494    |
| New Mexico .....   | 208    | 131,949   |
| North Dakota ..... | 65     | 34,052    |
| Oklahoma .....     | 21     | 5,938     |
| Pennsylvania ..... | 1      | 561       |
| South Dakota ..... | 2      | 2,760     |
| Texas .....        | 99     | 33,469    |
| Utah .....         | 76     | 95,016    |
| Washington .....   | 7      | 8,083     |
| Wyoming .....      | 506    | 459,786   |
| Total .....        | 1,765  | 1,396,237 |

## NON-COMPETITIVE OIL AND GAS LEASES ISSUED

[FISCAL YEAR 2002]

| State              | Leases | Acres   |
|--------------------|--------|---------|
| Arizona .....      | 1      | 6,983   |
| Arkansas .....     | 13     | 37,881  |
| California .....   | 4      | 2,720   |
| Colorado .....     | 53     | 75,639  |
| Idaho .....        | 3      | 5,798   |
| Mississippi .....  | 30     | 14,641  |
| Montana .....      | 159    | 183,208 |
| Nevada .....       | 74     | 223,426 |
| New Mexico .....   | 35     | 59,615  |
| North Dakota ..... | 13     | 5,142   |
| Oregon .....       | 6      | 5,006   |
| Texas .....        | 3      | 4,687   |
| Utah .....         | 56     | 127,054 |
| Washington .....   | 3      | 3,461   |
| Wyoming .....      | 72     | 77,801  |
| Total .....        | 525    | 833,062 |

## COMPETITIVE OIL AND GAS LEASES ISSUED

[FISCAL YEAR 2003]

| State             | Leases | Acres   |
|-------------------|--------|---------|
| Alabama .....     | 12     | 8,990   |
| Arizona .....     | 0      | 0       |
| Arkansas .....    | 52     | 71,516  |
| California .....  | 55     | 53,820  |
| Colorado .....    | 248    | 243,874 |
| Florida .....     | 2      | 3,368   |
| Illinois .....    | 0      | 0       |
| Kansas .....      | 8      | 2,950   |
| Kentucky .....    | 0      | 0       |
| Louisiana .....   | 4      | 511     |
| Michigan .....    | 4      | 1,150   |
| Mississippi ..... | 35     | 10,768  |
| Montana .....     | 89     | 55,869  |
| Nebraska .....    | 2      | 1,600   |
| Nevada .....      | 58     | 62,744  |

## COMPETITIVE OIL AND GAS LEASES ISSUED—Continued

[FISCAL YEAR 2003]

| State               | Leases | Acres     |
|---------------------|--------|-----------|
| New Mexico .....    | 195    | 161,484   |
| New York .....      | 0      | 0         |
| North Dakota .....  | 7      | 1,311     |
| Ohio .....          | 0      | 0         |
| Oklahoma .....      | 23     | 3,701     |
| Pennsylvania .....  | 0      | 0         |
| South Dakota .....  | 1      | 450       |
| Texas .....         | 20     | 18,353    |
| Utah .....          | 122    | 137,288   |
| Virginia .....      | 0      | 0         |
| Washington .....    | 105    | 185,088   |
| West Virginia ..... | 5      | 9,830     |
| Wyoming .....       | 481    | 419,791   |
| Total .....         | 1,528  | 1,454,456 |

## NON-COMPETITIVE OIL AND GAS LEASES ISSUED

[FISCAL YEAR 2003]

| State              | Leases | Acres   |
|--------------------|--------|---------|
| Arizona .....      | 3      | 3,040   |
| Arkansas .....     | 4      | 24,276  |
| Colorado .....     | 10     | 7,797   |
| Idaho .....        | 1      | 671     |
| Kansas .....       | 4      | 2,814   |
| Michigan .....     | 5      | 2,560   |
| Mississippi .....  | 18     | 4,322   |
| Montana .....      | 130    | 117,005 |
| Nebraska .....     | 2      | 240     |
| Nevada .....       | 31     | 53,548  |
| New Mexico .....   | 35     | 78,011  |
| North Dakota ..... | 3      | 1,320   |
| Oklahoma .....     | 16     | 8,688   |
| Oregon .....       | 1      | 160     |
| Texas .....        | 25     | 25,204  |
| Utah .....         | 49     | 103,239 |
| Washington .....   | 14     | 25,100  |
| Wyoming .....      | 110    | 126,026 |
| Total .....        | 461    | 584,021 |

*Question 71.* How many acres of lands administered by the Forest Service and the BLM in states west of the hundredth meridian are currently under oil and gas lease? Please display by state and agency.

Answer. The following is a table listing the acreage under oil and gas leases on BLM and FS managed lands in states West of the hundredth meridian. (Note: These figures do not include Federally-owned mineral estate under privately-owned surface lands.)

| State         | Acres under O&G lease/BLM-managed surface | No. O&G leases/BLM-managed surface | Acres under O&G lease/FS-managed surface | No. O&G leases/FS-managed surface |
|---------------|---|------------------------------------|--|-----------------------------------|
| Alaska (NPRA) | 1,446,990                                 | 193                                | 0  | 0                                 |
| Arizona       | 105,020                                   | 62                                 | 0  | 0                                 |
| California    | 304,876                                   | 654                                | 6,403                                    | 22                                |
| Colorado      | 3,897,708                                 | 4,867                              | 498,077                                  | 513                               |
| Idaho         | 8,768                                     | 7                                  | 1,495                                    | 1                                 |
| Kansas        | 23,913                                    | 67                                 | 65,281                                   | 298                               |
| Montana       | 2,968,337                                 | 3,420                              | 1,324,975                                | 689                               |
| Nebraska      | 560                                       | 3                                  | 0  | 0                                 |
| New Mexico    | 5,199,557                                 | 8,833                              | 235,309                                  | 287                               |
| Nevada        | 1,940,371                                 | 1,112                              | 18,950                                   | 8                                 |
| North Dakota  | 107,350                                   | 303                                | 643,745                                  | 1,201                             |
| Oklahoma      | 100,138                                   | 829                                | 97,708                                   | 223                               |
| Oregon        | 29,355                                    | 19                                 | 32,480                                   | 10                                |
| South Dakota  | 121,913                                   | 143                                | 30,396                                   | 44                                |
| Texas         | 2,528                                     | 10                                 | 388,986                                  | 494                               |
| Utah          | 3,211,172                                 | 3,252                              | 576,225                                  | 307                               |
| Washington    | 347,325                                   | 227                                | 0  | 0                                 |
| Wyoming       | 14,904,462                                | 20,869                             | 574,360                                  | 854                               |
| TOTALS        | 34,720,343                                | 44,870                             | 4,494,390                                | 4,951                             |

*Question 72.* What is the status of BLM's work on the study required under the EPCA? What areas are currently being evaluated?

Answer. The EPCA Phase I Inventory was released in January 2003, and covered the Montana Thrust Belt, and the Powder River, Green River, Uinta-Piceance, and Paradox/San Juan Basins. The EPCA Phase II Inventory began at the start of Fiscal Year 2004. This effort is well underway with a major portion of the data collection phase already completed. It is scheduled for release in December 2004. The areas currently being evaluated are the Wyoming Thrust Belt, the Denver, Appalachian, and Black Warrior Basins, the Florida Peninsula, and Northern Alaska (NPRA and ANWR 1002 areas only).

*Question 73.* The Budget document indicates that BLM proposes to offset the reduction in the oil and gas leasing program request with a cost recovery offset from lessees, totaling \$4 million.

Please describe the time frame for implementing these user fees, as well as providing a detailed listing of the amount of the fees and the proposed payors.

Answer. The FY 2005 budget proposes cost recovery for the processing of leases and other applications. The budget assumes \$4 million in increased fees. We have not yet determined the specific fee levels for various activities.

|  | Existing fee<br>(paperwork<br>processing) |
|--|---|
| <b>OIL AND GAS (3100):</b>                                   |   |
| Noncompetitive lease offer .....                             | \$75                                      |
| Competitive lease high bid .....                             | \$75                                      |
| Assignment and transfer .....                                | \$25                                      |
| Overriding royalty transfer, payment out of production ..... | \$25                                      |
| Lease renewals and exchanges .....                           | \$75                                      |
| Lease reinstatement, Class I .....                           | \$25                                      |
| Leasing under right-of-way .....                             | \$75                                      |
| <b>GEO THERMAL (3200):</b>                                   |   |
| Noncompetitive Lease Application .....                       | \$75                                      |
| Assignment and transfer .....                                | \$50                                      |
| <b>COAL (3400):</b>  |   |
| Exploration license application .....                        | \$250                                     |
| Lease or lease interest transfer .....                       | \$50                                      |
| <b>Nonenergy Leasable (3500):</b>                            |   |
| Lease renewals .....   | \$25                                      |
| Prospecting Permit application .....                         | \$25                                      |
| <b>Mining Law Administration (3800):</b>                     |   |
| Notice of Location .....                                     | \$10                                      |
| Amendment to location .....                                  | \$5                                       |
| Transfer of Interest .....                                   | \$5                                       |
| Affidavit of Assessment Work .....                           | \$5                                       |
| Notice of Intent to Hold .....                               | \$5                                       |
| Deferment of Assessment .....                                | \$25                                      |
| Mineral Patent Application (lode) .....                      | \$250                                     |
| Mineral Patent Application (placer) .....                    | *\$2.50                                   |
| Mineral Patent Application (mill site) .....                 | *\$2.50                                   |
| Adverse claim .....  | \$10                                      |
| Private contest .....  | \$10                                      |
| Protest .....  | \$10                                      |

\*Acre or fraction.

*Question 74.* What is the current level of funding and what level is proposed for fiscal year 2005 for the administration of renewable energy development on public lands? Please provide allocation by energy type.

Answer. In FY 2004, the BLM's budget for renewable energy development is \$1,950,000. This includes \$1,250,000 for geothermal energy; \$400,000 for wind and solar energy; and \$300,000 for hydropower re-licensing. The BLM has requested an increase of \$250,000 in the budget for renewable energy in FY 2005 to \$2,200,000. The increase will be targeted for processing wind energy applications. Additionally, the BLM has begun work on a nationwide Wind Energy Development Programmatic Environmental Impact Statement, which will assess the possible amendment of in-

dividual land use plans to address future development of wind energy resources on BLM administered lands. Costs associated with this EIS will be paid from the Lands and Realty Management program's base funding and are expected to be \$750,000 in FY 2004 and \$300,000 in FY 2005.

*Question 75.* The Budget document refers to identification of opportunities to resolve the conflicts between coalbed methane and coal development. Please describe BLM's efforts in this regard. What efforts are being made to resolve conflicts due to split estate issues?

*Answer.* Coalbed Methane and Coal Development Conflicts: On August 21, 2003, the BLM issued Instruction Memorandum (IM) No. 2003-253 updating its policy and guidance addressing the conflicts between coalbed natural gas and surface coal mine development in the Powder River Basin.

The policy maintains the goal of conserving the resources and maximizing the return to the public in both revenue and energy production, and protecting public health and safety while mitigating environmental impacts. It recognizes the rights of each lessee, subject to the terms of each lease and sound principles of resource conservation, and continues to encourage oil and gas and coal companies to resolve conflicts. When requested, the BLM will assist in facilitating agreements between the companies. The BLM also will exercise authority provided in the leases, applicable statutes, and regulations to manage Federal mineral development in the public's best interest.

To avoid the bypass of Federal coal resources or to conserve coalbed natural gas (CBNG) resources, the BLM is offering a 50% royalty rate reduction to oil and gas lessees producing CBNG within a zone around each active coal mine or coal lease application area that has potential for conflict with CBNG development. This incentive is intended to encourage CBNG operators to drill wells and extract as much natural gas as possible in the time available before mining begins. To qualify for a royalty rate reduction, the oil and gas lessee must agree to expedite CBNG production in a manner that will maximize the recovery of the gas resource before abandonment. The lessee also must agree to cease operations, and to abandon wells and facilities at BLM's request prior to the arrival of mining operations in the area of the wells.

*Split Estate Conflicts:* The BLM issued policy guidance for resolving split estate conflicts on April 2, 2003 (IM No. 2003-131). This IM requires either an agreement between the surface owner and lessee or operator or posting of a bond for surface owner protection. The BLM policy requires that oil and gas operators make a good faith effort to contact surface owners and enter into an access agreement with them before drilling permits are approved. The policy recognizes the mineral estate primacy that is clearly intended in Federal statutory and case law as well as state law. However, BLM policy based on those statutes requires that operators compensate the surface owner for certain losses resulting from oil and gas development.

The BLM also participated with various organizations that represent surface owners and mineral developers and State and other Federal government agencies to develop the Wyoming Split Estate Initiative (WSEI). The WSEI provides several alternatives for resolving conflicts between surface owners and mineral developers. In addition, the BLM was part of a recent initiative by the Western Governors Association that developed best management practices for minimizing conflicts between these two groups.

*Question 76.* Why are you reviewing and revising royalty rate guidelines for coal?

*Answer.* The BLM's existing guidelines for royalty rate reduction are overly complex and difficult to apply. As set out in the President's National Energy Policy, the BLM intends to clarify the conditions for granting a royalty rate reductions and create greater efficiencies in the approval process. The standard royalty rates for coal are set in statute and regulation. The great majority of coal from Federal leases is produced under these standard royalty rates. There are cases where coal cannot be economically recovered. In these cases, the BLM is given the discretion to reduce the royalty to promote coal development. Reductions in the royalty rate are implemented on a temporary basis so that additional coal can be produced from existing leases.

*Question 77.* What actions are you considering to expedite coal leasing? Are you anticipating new lease sales? If so, how many and when?

*Answer.* The BLM has grouped five coal lease applications in Wyoming into the Southern Powder River Basin Coal (SPRB) Environment Impact Statement (EIS). This helps achieve economies of scale and more accurately assesses the cumulative impacts of these projects. The notice of availability for the SP RB Final EIS was published on December 24, 2003. The SPRB Final EIS provided the analysis for the proposed action and alternatives for issuing five coal leases, which contain 1.5 bil-

lion tons of coal. Lease sales associated with this EIS will occur in FY 2004 and FY 2005.

In addition, the BLM has adjusted current funds, making them available to field offices that have higher numbers of applications. The BLM anticipates selling ten leases (19,355 acres total) in FY 2004, including two in Colorado, one in Kentucky, three in Oklahoma, one in Utah, and three in Wyoming. In addition to these Federal coal sales, the BLM will assist the State of Utah with two coal lease applications.

*Question 78.* Has BLM conducted an inventory of abandoned, orphaned and idled oil and gas wells on lands administered by BLM? If so, please describe. How many of each category of well (abandoned, orphaned, or idled) is located on BLM administered lands? Please provide the information by state.

*Answer.* The term "abandoned well" is not one that the BLM uses to categorize oil and gas wells. However, the BLM defines and categorizes idled and orphaned wells. An idle well is a well that has been inactive for over one year, while an orphan well is a well where there is no responsible party to assume the liability for the well.

The current inventory of orphaned wells administered by the BLM is:

|                |            |
|----------------|------------|
| California—146 | Utah—14    |
| Oklahoma—16    | Wyoming—74 |

The current inventory of idle wells is:

|                 |                 |
|-----------------|-----------------|
| Arkansas—8      | New Mexico—2680 |
| Alaska—67       | North Dakota—85 |
| Arizona—8       | Ohio—34         |
| California—1652 | Oklahoma—646    |
| Colorado—642    | Pennsylvania—14 |
| Kansas—23       | South Dakota—12 |
| Kentucky—1      | Tennessee—5     |
| Louisiana—57    | Texas—21        |
| Mississippi—15  | Virginia—1      |
| Montana—480     | West Virginia—2 |
| Nebraska—2      | Wyoming—3122    |
| Nevada—25       |                 |

*Question 79.* Does the Department support legislation to permit the Secretary to issue separate leases for the extraction of tar sand and the exploration and development of oil and gas where an area contains a combination of tar sand and oil or gas? If so, why is such legislation necessary?

Would this have revenue implications?

*Answer.* The Department of the Interior supports legislation that would permit the Secretary to issue separate leases for the extraction of tar sand and the exploration and development of oil and gas where an area contains a combination of tar sand and oil/gas.

Such legislation would enable an operator to obtain only an oil and a gas lease when the operator has no interest in extracting tar sands. This change should stimulate additional leasing for oil and gas in the CHLA areas and ultimately result in increased Federal revenue.

*Question 80.* Do you think the royalty rates for geothermal leases need to be revised? If so, please describe.

*Answer.* The President's National Energy Policy did not call for a revision of the royalty rates for geothermal leases.

*Question 81.* Do you think there needs to be other changes to the geothermal leasing program? If so, please describe. Does BLM have adequate resources to administer the program?

*Answer.* The Department of the Interior supports having an "all-competitive" leasing system for electricity generation leases, while moving away from the "Known Geothermal Resource Area" determinations. There has also been some confusion in the past with regard to the Secretary's authority under the Geothermal Steam Act to initiate the creation of a unit or to direct a lessee to join a unit, as opposed to approving a unit proposal made by a majority of members. The Department supports clarifying this authority to parallel similar oil and gas authorities related to units and pooling, so that the BLM would more clearly have the authority to manage entire geothermal reservoirs.

*Question 82.* Please tell me what you are proposing to ensure that the BLM is able to provide for the proper planning, management, and protection of BLM administered national monuments. I would appreciate a breakdown by monument.

Answer. The BLM manages 15 National Monuments, 14 of which were established through Presidential Proclamation and one was established by Congress. Since all but one of these Monuments were established between January 2000 and the end of 2001, the BLM is concentrating most of its effort on developing collaborative Resource Management Plans (RMP) for each Monument. The BLM issued interim guidance shortly after designation of each monument to guide management until the RMPs are completed.

For 2004, the BLM is in the process of determining the funding level for each of the Monuments, as well as for other units of the National Landscape Conservation System. Once the BLM has completed this process, anticipated in early March, the BLM will provide Congress the operational funding levels for each Monument. The operational funds are used for on-the-ground management and resource protection. The operational funding for 2005 for each Monument will roughly equal the operational funding for 2004, with the addition of a requested increase for Craters of the Moon National Monument, of which \$29,000 is for a sage grouse habitat restoration project.

The BLM has determined the funding levels for 2005 for each land use plan currently being prepared for each of these Monuments. The table below provides planning status and requested funding levels in planning for each area.

| State | National monument           | Plan start year | Draft plan/EIS printed | Target completion dates for final plan & ROD | FY 2005 funding request |
|-------|-----------------------------|-----------------|------------------------|--|-------------------------|
| AZ    | Agua Fria                   | 2002            | 05/04                  | 06/05  | \$440,000               |
|       | Grand Canyon Parashant      | 2002            | 05/04                  | 12/05  | \$800,000               |
|       | Ironwood Forest             | 2002            | 01/05                  | 02/06  | \$600,000               |
|       | Vermillion Cliffs           | 2002            | 05/04                  | 12/05  | —                       |
|       | Sonoran Desert              | 2002            | 01/05                  | 02/06  | \$530,000               |
| CA    | California Coastal          | 2002            | 07/04                  | 07/05  | \$22,000                |
|       | Santa Rosa San Jacinto      | 2002            | 03/03                  | 02/04  | —                       |
|       | Carrizo Plains              | 2002            | 03/04                  | 10/04  | —                       |
| CO    | Canyon of the Ancients      | 2002            | 10/04                  | 09/05  | \$325,000               |
| ID    | Craters of the Moon         | 2002            | 04/04                  | 01/05  | \$40,000                |
| MT    | Upper Missouri River Breaks | 2002            | 07/04                  | 06/05  | \$630,000               |
|       | Pompeys Pillar              | 2004            | **                     | **   | —                       |
| NM    | Kasha Katuwe Tent Rocks     | 2004            | 2004                   | 2005   | \$85,000                |
| OR    | Cascade Siskiyou            | 2001            | 05/02                  | 09/04  | \$100,000               |
| UT    | Grand Staircase-Escalante   | 1996            | 11/98                  | 11/99  | —                       |

\*Funding included with Grand Canyon Parashant. The 2004 figures include funding from other programs, in addition to Planning, that support plan development.

\*\*Not scheduled.

*Question 83.* Last year, you stated that the Bureau of Land Management had no general legal authority to designate lands as wilderness study areas. In prohibiting the BLM from designating new WSAs, the guidance issued by the BLM states that a variety of alternative means exist to protect wilderness qualities on BLM lands. Can you tell me where such "alternative" designations have been employed to protect wilderness quality lands since the BLM's new management instructions were issued? Can you also tell me if the BLM has proposed that such designations be employed in its current land use planning efforts for any specific areas?

Answer. Through the land use planning process, BLM uses special management designations, Area of Critical Environmental Concern (ACEC) designations, or other management prescriptions to protect lands with wilderness characteristics or other important natural and cultural resources. The following are examples of alternative management designations being considered in BLM's planning process since the September 29, 2003 Instruction Memoranda (2203-274 and 2003-275) were issued.

- Andrews Unit/Steens Mountain Cooperative Management and Protection Area (Oregon): the preferred alternative in the Draft Resource Management Plan (RMP)/Draft Environmental Impact Statement (EIS) includes a provision that protects wilderness characteristics on 358 acres of land through a land exchange within an existing Wilderness Study Area (WSA).
- Gunnison Gorge National Conservation Area (Colorado): the proposed RMP retains an existing 161 acre Research Natural Area (RNA)/ACEC, and establishes 2 new ACECs, the Gunnison Sage Grouse Important Bird Area (22,200 acres) and the Native Plant Community Outstanding Natural Area (3,785 acres).
- Otero and Sierra Counties (New Mexico): the proposed RMP for almost two million acres of federal public lands and mineral estate administered by the Las Cruces Field Office analyzes potential development of fluid minerals and identifies management measures necessary to protect the area's natural resources. Special conservation measures would be applied in ACECs, intact grassland areas, plus three core habitat areas for the Aplomado falcon. Leasing will not be allowed in six existing and eight proposed ACECs (19,257 and 23,718 acres, respectively).
- Headwaters Forest Reserve (California): the Proposed RMP/Final EIS protects 4,400 acres of land with wilderness characteristics in Humboldt County, California. The plan outlines management direction for the 7,500-acre Headwaters Forest Reserve.
- Lakeview (Oregon): in November, 2003, the Oregon State Director approved the Record of Decision (ROD) for the Lakeview RMP, covering 3.2 million acres of public land. The plan retains 4 existing ACECs (165,935 acres), expands an existing ACEC by 18,049 acres, and designates 12 new ACEC/RNAs totaling more than 131,000 acres.
- National Petroleum Reserve-Alaska (Northwest NPR-A): the final Record of Decision (ROD) for the Integrated Activity Plan/EIS was issued on January 22, 2004. This plan describes the future multiple use management of 8.8 million acres, and emphasizes restrictions on surface activities. For example, a stipulation that prohibits permanent surface occupancy will be imposed on leases along coastal areas, key rivers and deep water lakes and a new 102,000-acre Kasegaluk Lagoon Special Area was established where permanent surface occupancy will be prohibited if the area is leased in the future. In total, various restrictions apply to approximately 1,515,000 acres (16% of the planning area).

*Question 84.* The Administration has placed a strong emphasis on the use of sound science at the Department of the Interior. However, the USGS budget request reflects an overall net decrease of \$18.2 million from 2004. Please provide a listing of these funding reductions.

*Answer.* The USGS budget is reduced \$18.2 million below the 2004 enacted level. This is iWde up of a \$43.2 million reduction in lower priority program reductions (including \$17.1 million in Congressional earmarks), offset by \$25.1 million in increases that includes \$16.1 million in new and expanded programs and \$9.0 million for uncontrollable costs. The following is a list of USGS reductions.

|  |            |
|--|------------|
| Bureau Streamlining Efficiencies .....         | -2,978,000 |
| National Map Data Collection Activities .....  | -1,887,000 |
| Tennessee Geographic System * .....            | -494,000   |
| Alaska & Hawaii Volcano Monitoring* .....      | -1,742,000 |
| Asian and African Dust Particle Study * .....  | -247,000   |
| Tampa Bay Pilot Project * .....                | -1,504,000 |
| Mineral Resources** .....                      | -6,493,000 |
| Kansas Well Log Inventory * .....              | -296,000   |
| Tongue River Coalbed Methane Studyd* .....     | -889,000   |
| Roubidoux Aquifer Study * .....                | -1,481,000 |
| Mercury Study on South Carolina Rivers * ..... | -50,000    |
| Toxic Hydrology Lower Priority Studies * ..... | -518,000   |
| Berkeley Pit Study * .....                     | -198,000   |
| Lake Pontchartrain Study * .....               | -592,000   |
| Potomac River Study * .....                    | -401,000   |
| Spokane Valley Rathdrum Aquifer Study * .....  | -494,000   |
| Chesapeake Bay Program * .....                 | -247,000   |
| Delaware River Flow Model * .....              | -247,000   |
| Hood Canal Fish Mortality Study * .....        | -346,000   |
| Lake Champlain Study * .....                   | -295,000   |
| Water Monitoring in Hawaii * .....             | -444,000   |
| Water Resource Research Institutes .....       | -6,420,000 |

|  |            |
|--|------------|
| Fire Science .....                                     | -2,766,000 |
| Mark Twain National Forest Study* .....                | -741,000   |
| Molecular Biological Research* .....                   | -790,000   |
| Pallid Sturgeon Study* .....                           | -494,000   |
| Diamondback Terrapins Study* .....                     | -198,000   |
| DNA Bear Sampling in Montana* .....                    | -988,000   |
| Multidisciplinary Water Study* .....                   | -296,000   |
| Lake Tahoe Decision Support System* .....              | -494,000   |
| Manatee Research* .....                                | -494,000   |
| Cooperative Research Unit at the U. of Nebraska* ..... | -395,000   |
| Narrowband Radios .....                                | -3,941,000 |
| Certification and Accreditation of Systems .....       | -895,000   |
| Accessible Data Transfer .....                         | -592,000   |
| Streamlining of Motor Vehicles .....                   | -697,000   |
| Leetown Science Center Expansion* .....                | -198,000   |
| Tunison Lab* .....                                     | -988,000   |

\* Congressional Earmarks.

\*\* \$2.0 million is Congressionally Earmarked.

*Question 85.* The Budget documents note that the “USGS analyses of the availability and quality of water resources help to develop, regulate, and monitor management practices to ensure the continued availability of water resources for human consumption, agriculture, business, recreation, and environmental stability.” This is an extremely important mission, particularly given the ever-increasing demands placed on limited water resources in the West.

1. Given the critical need that exists to use scientific information to help avoid future water management conflicts, why does the 2005 Budget propose a 6% (\$13.0 million) reduction in funding for USGS water resources investigations?

Answer. Within the \$13.0 million reduction for the Water Resources Investigations discipline, \$4.0 million is a technical adjustment transferring bureau-wide enterprise information functions and costs from the science disciplines to a new centralized organization within USGS. This is not a program reduction within the Water discipline, as they are currently paying these costs, but will no longer have to once the centralized organization is in place.

Of the remaining \$9.0 million, none of the funding is being reduced from core Water Resource programs or projects. Congressional earmarks to lower priority site-specific projects make up \$4.8 million of the reduction, with the remaining reductions coming in lower priority toxic hydrology projects and the Water Resource Research Institutes. The USGS’ contribution to these institutes makes up a very small percentage of their total funding. The WRRRI have been successful at generating funds from non-USGS sources. In 2003, the WRRRI generated \$19.00 for every \$1.00 that the USGS contributed to them. These reductions have allowed for higher priority initiatives to be funded within the USGS and the Department, including \$1.4 million for water quality studies in the Klamath River Basin and \$1.0 million for the USGS water availability work necessary as part of the overall \$21.0 million Water 2025 initiative.

2. Isn’t this at cross-purposes with the Water 2025 initiative?

Answer. The reductions to the Water program do not, in any way, affect the Water 2025 initiative. These reductions are not at cross-purposes with the initiative.

*Question 86.* The National Park Service Organic Act states that the purpose of national park areas is “to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.” The National Park Service has previously interpreted this legislative directive to mean that if there is a conflict between recreational use and resource protection, the protection of the resource takes priority. Can you tell me whether or not you are committed to upholding this management policy?

Answer. We believe NPS has a responsibility both to conserve park resources and to provide for their enjoyment. Rather than thinking of enjoyment as being on a “lower plane” than resource protection, enjoyment should be viewed as interrelated with resource protection. It is permissible for visitor activities to affect park resources, but it is not permissible for visitor activities to create impacts that are so severe as to constitute an impairment that would affect the enjoyment of future generations. The “balancing” of these goals occurs as NPS evaluates whether the impacts from visitor activities on park resources are acceptable or unacceptable, subject to the caveat that those impacts must leave park resources “unimpaired for future generations.” Whether an impact constitutes a prohibited impairment is a case-by-case decision to be made “in the professional judgment of the NPS manager,”

through appropriate public land-use and resource planning processes, taking into account various factors such as “the particular resources and values that would be affected; the severity, duration, and timing of the impact; the direct and indirect effects of the impacts; and the cumulative effects of the impact in question and other impacts.” See *Management Policies* 1.4.5.

*Question 87.* Does the Department of the Interior have any plans to modify its existing management policies? If so, which policies are under review and what is your estimated timeline for revisions?

Answer. As NPS stated in its September 24, 2003 response to questions and answers submitted by the House Resources Subcommittee as a follow-up to an oversight hearing on NPS Management Policies, we believe there are some areas of the 2001 Management Policies that may be inconsistent with the President and Secretary’s position regarding access by Americans to their national parks. We indicated that we were in the process of reviewing and revising the Management Policies to eliminate these inconsistencies and that these types of periodic reviews are a standard management process.

*Question 88.* Three years ago, the President announced his commitment to eliminate the \$4.9 billion maintenance backlog at units of the National Park System within 5 years. There was some criticism of the initiative at that time on the grounds that most of the proposed funding simply included historic spending levels, and little was provided in the way of the increased funding that would be needed to actually reduce or eliminate the backlog. This year’s budget reflects the fourth year of this initiative. To help us better understand the progress that has been made to date, can you tell me what is your present estimate of the park maintenance backlog, and whether you expect the President’s commitment to eliminate the maintenance backlog within 5 years to be fulfilled?

Answer. One of the Administration’s highest budget priorities for the National Park Service (NPS) is addressing the backlog of deferred maintenance in our national parks. We again reflect that priority in this year’s request of \$1.112 billion to address deferred maintenance of park facilities and roads. This is nearly double the amount for the same categories just seven years ago. With this request, we are on track to exceed the President’s goal of investing \$4.9 billion over five years to address the backlog by improving facilities and roads in our parks. In the four budgets of this Administration, nearly \$3.9 billion to date has been proposed to address deferred maintenance in parks. The funds provided are achieving tangible results. The National Park Service has undertaken over 1,300 projects using repair and rehabilitation funding in FY 2001-2003 with another 400 more anticipated to be done in FY 2004.

*Question 89.* The Land and Water Conservation Fund is the primary means of land acquisition for National Parks and Refuges and I realize that hard decisions have to be made on the allocation of funding. I was disappointed to see that over \$130 million dollars of the Department’s LWCF funds are requested for programs that are not authorized under the LWCF. I also noted that the FY05 budget does not include funding for an important expansion of Hawaii’s Pu’uhonua O Honaunau National Historical Park, that was enacted in 2002.

Can you please tell me where Pu’uhonua O Honaunau ranks in the budget lineup for federal funds for the LWCF; and when you expect to request the funding?

Answer. For FY 2005, the acquisition for Pu’uhonua O Honaunau was ranked seventh nationally by the National Park Service. The priority list for FY 2006 is currently being developed at the Regional level and will then be compiled at the national level for the entire National Park Service.

The year in which the Department will request funding for Pu’uhonua O Honaunau has not been determined. The list of projects requested in the budget is determined each year by an analysis of priorities within each Bureau and across the Department in conjunction with Administration priorities. Priorities may change from year to year. For example, imminent threats to a tract of land parcel may occur when the death of an owner results in the property offered for sale because the heirs want to divide the proceeds. Depending on the relative importance of such property nationally, it may be put at the top of the priority list so that it is not lost to development or other interests incompatible with the purposes of the Department’s land managing bureaus.

*Question 90.* Secretary Norton, thank you for working so closely with Hawaii’s Congressional delegation on issues of importance to the people of Hawaii. The progress we have made on Native Hawaiian issues and the Compact of Free Association between the U.S. and the Freely Associated States (FAS) is reflected in the enactment of the amended Compact and the Office of Native Hawaiian Relations. I look forward to continuing to work with you as I pursue efforts to extend the federal policy of self-governance and self-determination to Native Hawaiians.

While we have accomplished much with respect to the Compact of Free Association, there is still more to do. I am pleased that the FY05 budget includes \$30 million in mandatory funding for Compact Impact aid for the affected areas of Hawaii, Guam, and the Commonwealth of the Northern Mariana Islands. However, it is my hope that communication between the Office of Insular Affairs and Hawaii's Congressional Delegation improves in FY05. After working so closely with you, I was disappointed with the manner in which Compact Impact aid for FY04 was handled by the Office of Insular Affairs. We were not provided with notice of the results of the census of FAS citizens in Hawaii, nor were we consulted about the division of funding for Compact Impact aid. In addition, I was informed yesterday that the \$10.5 million in FY04 funds to be received by the State of Hawaii would be subject to new semi-annual reporting requirements. This is one example of OIA not being forthcoming about changes they are implementing as a result of the 2003 Amendments. An issue of this magnitude requires better communication and improved collaboration, and I feel that a meeting with senior-level staff is required to address this matter.

1. What assurances can you provide that your staff in OIA will work to improve communication and collaboration with Hawaii's Congressional delegation with respect to the issue of Compact Impact aid funding?

Answer. We fully agree with the need for the Office of Insular Affairs and the Hawaii delegation to be in regular communication on these issues. On February 18, 2004, the Deputy Assistant Secretary for Insular Affairs and the Director of the Office of Insular Affairs briefed senior staff for all members of the Hawaii Congressional delegation on the new Compact legislation's requirements for the allocation and administration of the \$30 million annual Compact Impact appropriation. Those present agreed to continue to stay in regular communication regarding Compact Impact issues and funding.

As for the reporting requirements applicable to the Compact Impact grants, we note that these were not imposed at the discretion of the Office of Insular Affairs. The Compact legislation provides that the funds will be provided in the form of grants, and all Federal grants to states and territories are governed by the regulations known as the Common Rule, Uniform Requirements for Assistance to State and Local Government and Audit Requirements for State and Local Governments. For grants administered by the Department of the Interior, such as the Compact Impact grants, these regulations are set forth in 43 CFR Part 12.

2. I understand that the census which was used to calculate the distribution of funds in FY04 will be used for the next four years. As history has shown over the past 18 years, the population of FAS citizens changes drastically in the affected areas on an annual basis. I am concerned that the numbers from the last enumeration will no longer be valid. What will the Department do to address this matter? Would you consider conducting an enumeration more frequently than every five years—perhaps even annually?

Answer. Our concern about conducting an annual enumeration is that it is costly to do so, and the funds we would use for this purpose are funds that would otherwise go to the government of the FAS for actual program needs.

*Question 91.* As you know, Hawaii continues to struggle with the problem of invasive species. Our state is threatened by both aquatic and terrestrial invasive species, and the problem continues to grow. It appears from the "Budget in Brief" document that, except for the Brown Tree Snake, the species targeted for funding are not those causing significant problems in Hawaii. This is ironic, considering the U.S. Geological Survey has stated that "Hawaii's problem with non-native Species is the most severe of any state," and that "invasive species are the state's dominant biological resource issue today." Last year, I noted a commendable increase of 13% in funding for invasive species-related programs. However, this year, the increase is only one percent, between FY04 and FY05.

1. Given the Department's Invasives Initiative that recognizes invasive species as "an enormous threat," I would expect to find a greater increase for the fight against invasive species in FY05. Can you help me understand the nearly level future funding, given the admitted magnitude of the invasive species problem nationwide?

Answer. Given all of the issues facing the Department, and the large increase in invasives funding in 2004, coupled with a base of almost \$58.0 million entering 2005, we kept our sight focused on the most vital of invasive funding needs such as brown tree snake control, rapid response needs in the refuges, and the out of control growth of tamarisk in the Southwest, which dries up river beds and streams and provides fuel for forest fires.

In addition to invasive species-specific funding, the 2005 budget proposes significant funding for several grant and cooperative conservation programs that are available to States, Tribes, local entities, private cooperators, as well as Federal agencies,

to address invasive species issues. For example, the Cooperative Conservation Initiative includes funding for challenge cost share grants that provide resources to Federal land managers to partner with a broad range of cooperators to conduct natural resource restoration projects.

In FY 2003, several Cooperative Conservation Initiative projects for invasive species in Hawaii were funded, including an \$893,056 project to eradicate or control alien plant invasions threatening Haleakala National Park habitat. In this project, the four partners, the Maui County Office of Economic Development, the Hawaii Department of Land and Natural Resources, the Maui County Board of Water Supply, and the Hawaii Community Foundation provide \$536,556 as match to the \$356,500 Federal share of funding from the National Park Service.

The goals of the Haleakala project include controlling *Miconia* on Maui by focusing on the sustained long-term, island-wide goal of "Zero Fruiting Trees"; treating all known populations and surveying potential habitat of pampas grass; eliminating all persisting individuals of fountain grass on Maui, treating all known populations and surveying potential habitat of ivy gourd, giant reed *Arundo*, and rubber vine; and mapping and assessing additional plant species for inclusion in the priority control list with new species added based on the recommendations of subject matter experts and the inter-agency Maui Invasive Species Committee.

2. With regard to my State, it is unclear what level of funding Hawaii can look forward to for the management and control of invasive species. Can you provide me with a state-by-state breakout?

Answer. The Department is compiling the invasive species funding by state and territory for fiscal years 2004 and 2005. We will forward this information to the Committees as soon as it is complete.

*Question 92.* As you may recall from my December 15, 2003 letter to you, I raised concerns about how the National Park Service intends to fulfill its non-homeland security missions in light of your Department's requirement for additional U.S. Park Police protection around federal monuments. I specifically requested information on the budgetary resources, the number of employees, and the management strategy the Department uses to carry out core Park Police functions. Although you responded on January 20, 2004, the letter did not provide me with the information I sought in December.

If this information is not provided in the FY05 Budget Request, I would appreciate your response to these questions.

Answer. In the post 9/11/01 law enforcement and security environment, homeland security has emerged as a top policy priority for the U.S. Park Police and the Department, Security for the Department's most important monuments and icons, both in Washington, DC and New York has been enhanced based upon independent and internal Departmental assessments and strategies. Although our January 20 letter provided overall staffing and funding levels for the U.S. Park Police, the Department is completing its analysis of the park police mission and goals and may implement a redeployment strategy based on that analysis from some non-homeland security operations to the post 9/11 homeland security needs.

*Question 93.* The FY05 budget request includes \$5.3 million to review 12,000 jobs for public-private competition in FY05. Although this type of outsourcing is relatively new at the Department of the Interior, I am sure you will agree with me that any process used to outsource federal jobs should promote transparency and cost-efficiency and be fair to government workers, who need the right tools to compete. This includes training employees to compete effectively.

My question to you, is how much money will the Department have for training federal employees in public-private competitions?

Answer. The 2005 budget includes \$4.2 million for competitive sourcing studies. We are currently evaluating competitive sourcing study plans for 2005 which will likely be in the range of 1,500-2,000 FTE. The Department's competitive sourcing efforts are being conducted in a manner that ensures that the decision making process is aligned with strategic workforce plans. That is, the bureaus are taking an approach to study selected areas in consideration of likely attrition, retirements and the balance of available and needed skills. As a part of this process, the bureaus are identifying needed training and development opportunities.

*Question 94.* A Congressionally mandated 2001 National Academy of Public Administration study raised concerns over the budget, staffing, and the use of overtime in the U.S. Park Police. I understand that the Department of the Interior and the National Park Service have not responded to the recommendations issued in the completed report. Could you please clarify how the FY05 budget request provides the U.S. Park Police with their sources to address staffing and overtime concerns raised by the NAPA study?

Answer. In light of the post 9/11 priorities, the Department has undertaken a mission review of the U.S. Park Police, as has the National Academy of Public Administration. The outcome, for the USPP may be redeployment of some services from their traditional operations to a strategy focused more on homeland security and protection of the Department's national monuments and icons. We expect that both reviews will be completed this Spring. In the meantime the Department has requested an additional \$3 million in 2005, one million dollars for the inauguration and \$2 million for icon protection, which will alleviate some of the impact on traditional operations.

*Question 95.* Regarding specific impacts on the State of Hawaii, for the 2002-2003 school year, there were 2,381 students from the FAS enrolled in Hawaii's public schools, at a cost of more than \$18 million dollars. In health care, expenses reported in 2003 by Governor Linda Lingle totaled almost \$7.8 million dollars. Since 1986, the State of Hawaii has only received \$6 million and is soon to receive another \$980,000 dollars from remaining FY03 funding and \$10.5 million in FY04 funding, for a total of \$17.5 million dollars. While an improvement, \$30 million in annual funding for Compact Impact aid shared by the affected areas will still be inadequate to cover Hawaii's costs, specifically, \$32 million reported by Governor Lingle in 2003, and \$140 million in costs up to that date. The affected areas are required to submit annual reports to the Department detailing the impact of the Compact.

What consideration does the Department give to these reports in determining the division on Compact Impact aid, and, if the Department currently does not use the reports as a factor in its determination, would you consider developing a way to incorporate these reports into your calculation of the distributed funds?

Answer. While the reports provide useful information for both the State and the Federal government, they are not considered in the allocation process. As required by Section 103 (e)(4 and 5) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188), the Secretary must have periodic enumerations performed of the number of Micronesian immigrants in each affected insular area and the allocation must be based on the most recent enumeration.

*Question 96.* The 2003 Amendments contain several new measures that need to be implemented, and this task will fall largely to the OIA staff newly-based in Hawaii. How will the Department ensure accountability with respect to the implementation of provisions in the new Compact, particularly with regard to the administration of grants?

Answer. The amendments to the Compact substantially increase the emphasis on accountability and also increase the authority of the Department to enforce accountability provisions. Staff from our Honolulu office will spend much of their time performing site visits. Problems identified will be resolved quickly, but if they cannot be resolved through discussion and subsequent corrective action by the freely associated state governments, the Department now has the authority to take enforcement action and force corrections. These actions include withholding of grant payments until corrective action is completed, recovery of improperly used money through offsets to future payments, or institution of additional reporting or other requirements as conditions to receive future Compact financial assistance.

*Question 97.* Once again, I thank the Department for its leadership on the Compact, particularly in comparison to other federal agencies that were not as aware of the needs of FAS citizens as your Department has been. However, the amended Compact requires the Department to work with other federal agencies, such as Education and Labor, to obtain funding in lieu of direct funding out of certain programs. How does the Department plan to coordinate with other agencies to obtain this funding?

Answer. The amendments to the Compact require the Department, within 60 days of an appropriation, to enter into a Memorandum of Agreement with the Departments of Education, Labor, and Health and Human Services on transfer of funding to the Department and how these supplemental education funds will be used. Currently, the Department is talking to each of these agencies and coordinating with the Office of Management and Budget to ensure the funding authorized under the Compact Amendments Act is included in the President's budget. Communication and coordination is most important in this first year of the program to ensure baselines are included in the agency budgets and good management precedents are established.

*Question 98.* The relationship between the United States and the Commonwealth of the Northern Mariana Islands is governed by the Covenant that was approved in 1976 under P.L. 94-241. Among other things, this law provides a \$27.7 million annual entitlement, the allocation of which is periodically renegotiated.

You can probably understand my surprise when I recently read in a Departmental press release that an agreement between the U.S. and the CNMI amending the Covenant was initialed on Monday, February 9.

Can you help me understand why these negotiations were conducted, and an agreement initialed, without consultation with the authorizing committees of the Congress? The press release also notes that the agreement still needs approval from OMB and the appropriations committees.

Would you please outline your plans for involving the Energy Committee in hearings and approval of any changes to the Covenant? I look forward to working with you on this issue.

Answer. The Covenant to Establish a Commonwealth of the Northern Mariana Islands (CNMI) provides for multi-year periods of financial assistance and requires the President and the Governor to appoint special representatives to meet before the expiration of each financial assistance period and develop recommendations for future assistance. The agreement recently initialed by the Deputy Assistant Secretary of the Interior for Insular Affairs and the Lt. Governor of the CNMI, serving as appointed Special Representatives, does not amend the Covenant. The two Special Representatives reached an agreement on future financial assistance that can be implemented within existing law. To implement this agreement, which involves the discretionary allocation of funding within a mandatory total, will require at a minimum approval from OMB and the Appropriations Committees through the budget process. While no new authorization is required, the Department will be happy to brief the authorizing committees and obtain their input on the financial assistance agreement.

*Question 99.* The identification of vectors or pathways for the introduction of invasives is of significant importance for Hawaii. The Invasive Species Pathways Team, under the guidance of the Invasive Species Advisory Committee (ISAC), released a report last October providing a model of Significance Criteria to identify pathways of non-native species introduction. The Team recommended that the ISAC adopt these criteria to determine the significance of various pathways of introduction.

1. Has the Department investigated similar models to evaluate significant pathways of introduction, and how do they compare to the aforementioned model?

2. Given the Department's close working relationship with the National Invasive Species Council, has the Council endorsed this particular model or recommended it?

Answer. The Department has not investigated other models for evaluating significant pathways. The Invasive Species Pathways Team, during the course of developing its list of pathways and ranking criteria, could not establish that other appropriate models existed.

The National Invasive Species Council (Council) has not yet endorsed the recommendations. At its October 30, 2003, meeting, the ISAC approved the list of pathways for transmittal to the Council, but has not yet approved for transmittal the ranking criteria or the draft questionnaire for determining the priority of invasive species pathways. Once approved and forwarded to the Council, the Department and other Council members will consider the recommendations carefully in light of existing legislative and regulatory requirements.

*Question 100.* As the author of S. 1358, the Federal Employee Protection of Disclosures Act, and a long-standing supporter of civil servants and whistleblowers, I would like to ask you a question about the proposed termination of U.S. Park Police Chief Chambers.

Section 618 of the Transportation, Treasury, Independent Agencies Appropriations Act, as included in H.R. 2673, prohibits the use of funds for the payment of the salary of any officer or employee of the Federal Government who prohibits or prevents employees from communicating directly with Congress, or punishes employees for such communications. In addition, Section 620 of the Act prohibits the use of funds to implement or enforce nondisclosure policies that are inconsistent with the Whistleblower Protection Act and the Lloyd-LaFollette Act.

1. With respect to the Police Chief Chambers, doesn't the Department's personnel action violate the aforementioned laws? If it does not, please explain why it does not violate these laws.

Answer. No, the action does not violate the statutes you cite. Chief Chambers has not been prohibited from speaking to any member of Congress, or any committee or subcommittee. We understand that she has exercised her right to communicate with the Office of Special Counsel over matters she believes are protected under the Whistleblower Protection Act.

2. What procedures does the Department have in place to promote the disclosure of such information and educate employees about their rights and remedies available under the Whistleblower Protection Act, as required under 5 USC 2302(c)?

Answer. In December 2002, the Department of the Interior (DOI) Office of the Inspector General (OIG) established a position of Associate Inspector General for Whistleblower Protection. DOI is the first agency to establish such a position with the mandate of protecting whistleblowers from retaliation or reprisal through oversight, monitoring and early intervention as appropriate. The OIG maintains a web page at [www.oig.doi.gov](http://www.oig.doi.gov) which contains information regarding the Whistleblower Protection Act (WPA), including employee rights and responsibilities related to disclosure of alleged wrongdoing and the process for filing a complaint. Information on the WPA and the OIG Office of Whistleblower Protection has been published in the DOI employee newspaper, *People, Land and Water*, to ensure employees are aware of their rights.

#### RESPONSES TO QUESTIONS FROM SENATOR WYDEN

*Question 101.* It is hard to ask about this since I still don't have the budget justifications for the Bureau of Land Management. However, according to your Budget in Brief you have increased the Hazardous Fuels Reduction account by \$25,386,000. Could you provide me with a detailed accounting of whether that is new money or, as with much of the Forest Service Budget, whether that money is redirected from other accounts? In fact, I would like this sort of detail for the entire Department of the Interior budget you are counting as part of the National Fire Plan and the Healthy Forests Restoration Act.

Answer. We estimate that the FY 2005 President's Budget Request for the Department of the Interior includes over \$300 million to advance the goals of the Healthy Forests Initiative and the new legislation, an increase of \$32.6 million over the level estimated for FY 2004. In addition to the \$209.3 million requested for the Hazardous Fuels Reduction program and \$4.0 million of DOI Joint Fire Science funding, Interior's proposal counts approximately \$95.3 million in funding budgeted in forest management, rangeland management, and supporting programs. These programs improve and restore forest and range health and reduce their vulnerability to devastating wildfires.

The FY 2005 Department of the Interior Wildland Fire Management Budget is \$743.1 million, an increase of \$57.9 million over the 2004 enacted level, excluding 2004 fire repayment appropriations. This increase includes the \$25.4 million increase requested for the Hazardous Fuels Reductions program and included in the Healthy Forest Initiative.

The President's overall request for the Department is \$11 billion, a net increase of \$250.2 million or 2.3 percent increase above the 2004 enacted level. Since this net increase exceeds the combined increase for the Healthy Forest Initiative and the Wildland Fire Management Program, it could be assumed that new money funded these programs. However, the budget was not developed in a manner that would detail which specific increases in the budget were funded with new money and which were funded as a result of decreases in other programs.

*Question 102.* I appreciate the attention this administration has paid to the literally life and death situation in the Klamath Basin. I am happy to have the details on the Klamath budget and am pleased to see a modest increase of \$1,904,000 for the Basin project. I would like your commitment to work with the local folks and the delegation to resolve the Barnes Ranch issue: it appears from all I've been told that area could be important for water storage and it's time to make a little progress forward together in the Klamath Basin. Is the money in the President's budget for the Klamath Basin Barnes Ranch property—I understand there is \$6.5 million—intended by the administration to be used for land acquisition, land leasing, water leasing or some other purpose?

Answer. The Department is committed to the "4 Cs" in order to achieve conservation goals through communication, consultation, and cooperation with local stakeholders. This important matter certainly warrants such an approach. The intended purpose of the \$4.578 million in the Service's budget is for acquisition of the Barnes property. The Barnes property was formerly part of upper Klamath Lake and was converted from lake and emergent wetland habitat to agricultural lands in the 1960s. It has been identified as a key parcel important in providing additional water storage capacity in the upper Klamath Basin. The Barnes property is also important as habitat for endangered fish and waterbirds, and will improve water quality for the lake and downstream anadromous fish.

In addition to funds for the Barnes property, the Department has identified \$6.2 million for the Service's Partners Program in the upper Klamath Basin. These funds would support voluntary and cooperative restoration efforts. Total funding for Klamath activities in the Department's budget totals \$67.2 million.

*Question 103.* Recently a tragic event occurred at the Chemawa Indian School in Oregon: the death in a holding cell of Cindy Gilbert Sohapp. I would like any and all documents and correspondence in your possession regarding the safety and use of the holding cells at the Chemawa Indian School in Oregon.

Answer. This serious matter is currently under investigation by the Department's Inspector General. We will be certain to provide you with the results of his investigation.

#### RESPONSES TO QUESTIONS FROM SENATOR JOHNSON

*Question 104.* As I stated in my opening remarks, the United States needs true leadership to ensure the continuation of the Landsat program. Is the Department of the Interior ready to step up to be that leader or, if you will, the "executive agency" on behalf of the federal civil community?

Answer. Yes

*Question 105.* President's budget for the U.S Geological Survey's Mapping, Remote Sensing, and Geographic Investigations, which funds portions of the EROS Data Center in Sioux Falls, South Dakota was reduced by \$10,818,000 over the FY04 enacted level. Can you explain the cuts and how those cuts represent the Department's commitment to the land remote sensing mission?

Answer. The Mapping reduction does not affect the Department's commitment to the Land Remote Sensing mission. Included in this \$10.8 reduction, is an \$8.6 million technical adjustment to centralize the USGS-wide enterprise information functions into a single organization to promote better and more efficient IT practices and security, which will lead to cost savings. This is not a program reduction to any of the USGS science disciplines, including Geography, as, currently, each science discipline performs and funds these functions independently. The total reduction to the Land Remote Sensing subactivity, which funds the EROS data center, is \$546,000, which includes the technical adjustment reduction of \$567,000; an increase of \$80,000 for uncontrollable costs, and a \$59,000 reduction in streamlining efficiencies.

#### RESPONSES TO QUESTIONS FROM SENATOR FEINSTEIN

*Question 106.* Madam Secretary, your budget for Fiscal Year 2005 proposes to impose an \$8 million annual "rental" payment on the City of San Francisco for the Hetch Hetchy Reservoir in Yosemite National Park. What is the rationale for this "rental" fee?

If it is compensation for dam site, note that the Federal Power Act specifically exempts municipalities from any fees for the rights to put hydropower facilities on navigable waters. Does this represent a change in national policy?

If it is "rental," what is the per acre charge? The reservoir and associated facilities encompass 6,871 acres. That fee equates to \$1,164 per acre. The HIGHEST rental fee charged to PRIVATE Federal Power Act license holders in California is \$35 per acre. Also, does the Department propose to charge "rental" fees to other similarly situated entities? Who?

If it is compensation for added security costs, were you aware that the San Francisco Public Utility Commission, which manages Hetch Hetchy, was in the final stages of discussions with the Park to FULLY reimburse it for all of its additional security costs, which were \$1.9 million last year and are expected to rise to \$2.8 million this year? All the PUC was waiting on was a budget justification from the Park setting forth what those costs were.

Answer. The fee set by the Raker Act to compensate for use of lands within Yosemite National Park was last adjusted 70 years ago. As the question points out, the San Francisco Public Utility Commission also separately compensates the Park for maintenance of roads and trails, watershed protection, and dam security costs. This compensation is set through annual negotiations and is expected to be \$2.8 million in 2004. The budget proposes a single annual fee incorporating both a revised Raker Act fee based on current values and a fee for services. The Department is willing to work with the City of San Francisco, the Commission and the Congress on an appropriate fee level and a legislated method for periodic adjustments of the fee.

*Question 107.* Madam Secretary, I sent you a letter on December 19, 2003, asking you to provide necessary increases to the budget of the Don Edwards National Wildlife Refuge to reflect the increased acreage in the Refuge.

In 2002, I worked to bring together a group of State and private parties to acquire the former Cargill Salt Flat Ponds in the Southern San Francisco Bay.

It is my understanding that in order to restore and manage the approximately 9,600 newly acquired acres for the Don Edwards National Wildlife Refuge, the Fish

and Wildlife Service will require an increase of \$1.8 million in its operations and maintenance funding. Yet, I understand there is no increase proposed for the Refuge's budget in FY 2005. Is this correct, and if so how will you manage the increased wetlands acreage, which is so important for restoring San Francisco Bay?

Answer. The FY 2004 President's Budget included \$500,000 for Cargill operations, which will allow FWS to hire a refuge operations specialist and a maintenance worker to manage and monitor water levels and obtain permits. The Service will also use the funds to pay electrical water pumping costs. This amount was reduced to \$493,839 after rescissions. This level of funding is maintained in the 2005 request. Although the Service did identify other funding requirements for Cargill operations, the budget did not include additional funding.

For other units within the Don Edwards San Francisco Bay NWR, the Service received \$433,590 in maintenance funding in FY 2004 and is requesting \$296,000 in FY 2005, all within the FWS five-year deferred maintenance plan. This funding will be used to rehabilitate or replace boardwalks, decks, fences, and buildings for visitor safety as well as replace a nonfunctional radio system with a mandated digital narrowband system.

*Question 108.* The FY 2005 budget for the CALFED program includes only \$2 million for feasibility studies for four new water storage projects: Sites Reservoir, raising Shasta Dam, Upper San Joaquin storage, and expanding Los Vaqueros Reservoir. The amount needed to keep these studies going forward and moving new water supply closer to reality is \$12 million. Why didn't your budget provide this needed funding? Will you commit to help us try to fund these needed studies?

Answer. We believe that the funding level requested is adequate for FY 2005, and will keep these actions in balance within the CALFED program.

*Question 109.* It is very important for us to receive as soon as possible a cross-cut budget showing funding for CALFED-related activities across the federal government. This budget is the truest measure of CALFED-related funding. Can you tell me when such a cross-cut budget will be available?

Answer. The Administration is currently updating the CALFED budget crosscut we prepared last year, and will share it with the Congress when it is complete, sometime this spring.

*Question 110.* I understand that the President's budget would increase the funding for the Klamath Basin to \$105 million from \$90 million, an increase which is greatly needed. About half of the irrigated area in the Klamath Project is within California. Can you tell me what . . .

Answer. The total increase in funding for the Klamath Basin is \$15 million. California would receive about 38% of the total increased funding for the Klamath Basin in 2005 which is about \$5.8 million. Of the aggregate \$15 million increase, there are two large projects in Oregon: \$2.1 million to remove Chiloquin Dam and reopen 70 miles of endangered sucker and other fish habitat for spawning; and \$4.6 million to acquire land adjacent to Agency Lake Ranch for increased water storage and restoration to increase fisheries habitat. The Federal Working Group is committed to a broad watershed approach, however, and additional funds may likely be requested for California in future years, as appropriate.

Of the \$5.8 million increase for California, \$2.0 million in NOAA's budget will bolster coho salmon recovery, habitat restoration and science in the lower basin tributaries. About \$1.5 million increase in California for the Partners for Fish and Wildlife program will support an ongoing cooperative watershed restoration effort to restore high priority habitats while working with stakeholders to resolve natural resource issues. The Partners effort will focus more in the upper watershed in Oregon. By restoring the upper watershed, however, we will improve water quality and could potentially increase water quantity in the entire watershed, including California. The endangered winter-run chinook, a California species, will greatly benefit with enhanced habitat and increased natural flows upstream. In addition, the BOR budget includes approximately \$2 million increase for Trinity River restoration, lease land management and operations, water bank, and general costs necessary to operate the Klamath Project.

The economic impacts of the Project in California are significant. According to a recently published report by the University of California and Oregon State University, the market value of agricultural products sold in Modoc county were \$63,797 million and Siskiyou county were \$74,244 million. California private landowners will receive additional on-farm assistance for conservation systems planning and implementation, irrigation water management, upland watershed management, and wetland, wildlife, and conservation buffer enhancement.

## RESPONSES TO QUESTIONS FROM SENATOR CANTWELL

*Question 111.* Secretary Norton, as you know, Senator Bingaman, the ranking member of the Senate Energy and Natural Resources Committee, sent you a letter on September 15, 2003 requesting information regarding the National Football League's week-long festival on the National Mall that featured several large commercial advertisements. On December 17, 2003, the Interior Department responded to this request as a standard Freedom of Information Act (FOIA) query with a letter signed by David Bernhardt, director of Interior's Office of Congressional and Legislative Affairs. I understand that the U.S. Court of Appeals for the Washington, D.C., circuit has ruled that FOIA does not apply to all members of Congress. However, I further understand that a May 1998 memorandum from Sue Ellen Sloca, office of the Secretary FOIA officer, states that "unless a request is from a member of Congress who is acting in his/her official capacity as chairman of a committee or subcommittee, asking for documents within the jurisdiction of the committee or subcommittee, we will process it as a regular FOIA request." Does this memo still reflect current DOI policy, and if so do you think it is consistent with the U.S. Court of Appeals? If the 1998 memo does not reflect current DOI policy, please state for the record the current DOI policy regarding inquiries from United States Senators.

Answer. It has been the long-standing policy of the Department, including during the entire Clinton Administration, to treat document requests from all Members of Congress, other than committee or subcommittee Chairs, as FOIA requests. The following is included in a January 1, 1998 memorandum on Congressional committee and subcommittee requests for documents signed by Anne Shields, Chief of Staff to Secretary Bruce Babbitt:

"Please note that you should continue to treat oral or written requests for documents from individual members of Congress or their staff comparably to requests for information pursuant to the Freedom of Information Act (FOIA)."

Consistent with current Department of Justice guidance, a long line of well-settled cases have held that requests from individual members do not trigger the requirement in 5 U.S.C. 552(d). That is the section of FOIA that states that "Congress" may not be denied access to information.

Although one case interpreted the language of section 522(d) differently, the Department of Justice advised agencies in its winter 1984 *FOIA Update* that the case was not to be followed insofar as it can be interpreted as including individual members of Congress who request information, even if the request is made in the member's official capacity. At that time, the Department of Justice further indicated that a request by a committee or subcommittee chairman or a request otherwise made under the authority of a committee or subcommittee does trigger the special access provision.

As recently as 2002, the Department of Justice advised that members of Congress possess the same rights of access as any person under FOIA, although requests from Congress as a body, or through its committees and subcommittees, cannot be denied access on the basis of FOIA exemptions.

The treatment of Senator Bingaman's letter as a FOIA request was consistent with statutory and case law, in accordance with the current guidance provided by the Department of Justice, and incorporated in the Department's FOIA handbook since at least 1991. In addition, it should be noted that NPS Director Mainella responded on September 17, 2003, to the specific concerns raised by Senator Bingaman's September 15, 2003 letter. Director Mainella's letter was intended to ensure that Senator Bingaman was fully informed and updated on the NPS's work since the conclusion of the National Football League event, including the steps taken to ensure that resource protection and restoration was completed. Moreover, the Department subsequently provided Senator Bingaman over 425 pages of material responding to his request and made available several hundred additional pages of technical and re-engineering documents for his inspection upon request.

In light of the concerns raised by Senator Bingaman, we are consulting with the Department of Justice on this matter to determine if the Department of Justice has provided additional guidance beyond that on which the Department currently relies.

*Question 112.* Secretary Norton, to address recurring drought conditions, accommodate agricultural expansions, promote water and fish and wildlife conservation, and provide water for over half a million new residents in the Yakima River basin, Congress passed legislation in 1994 authorizing the Yakima River Basin Water Enhancement Program. Unfortunately, despite these efforts, water supply problems in the Yakima River Basin remain especially acute in drought years. A dry winter in 2000-2001 and a lack of storage capacity led to catastrophic losses in the summer of 2001. That year, holders of junior water rights received as little as 40 percent

of their allocations and farmers lost an estimated \$250 million in crops, which had a \$750 million negative impact on the regional economy. The drought also put a severe strain on the hydropower system and contributed to the western energy crisis. For these reasons, the Yakima Basin Water Enhancement Project is a high priority for Central Washington. That is why I was very disappointed to see that funding for the Yakima Basin Water Enhancement Project was reduced, even though the project is only seven percent complete. Please explain why the Department of the Interior chose to cut this critical program.

Answer. The Department of the Interior and Bureau of Reclamation remain committed to implementing the Yakima River Basin Water Enhancement Project. Reclamation has made significant progress to that end. Enhancement Project work to date has focused primarily upon acquiring water and mitigation habitat. Planning work has moved forward on a parallel track that will result in future funding requests to implement water conservation projects and projects on the Yakima Indian Reservation. Both of these are critical pieces of the Enhancement Project. Settlements under the Yakima River basin adjudication have cleared the way for implementation of the first major water conservation projects. Reclamation, the State of Washington, and the Sunnyside Valley Irrigation District just signed a funding agreement for implementation of a 9-year, \$32 million conservation project that will include a new canal check, canal automation facilities, and three re-regulating reservoirs. Water savings will benefit irrigation and fish and wildlife. Reclamation formulated its fiscal year 2005 request to reflect anticipated fiscal year 2005 capability. The reduction in request from previous fiscal years reflects a transition from an aggressive water acquisition and habitat mitigation program to implementation of the water conservation program. Reclamation expects to make future requests to reflect completion of the on-reservation plans, plans for the Kennewick pump exchange, development of tributary plans, and additional water and habitat acquisitions. Appropriation requests will continue to track progress in each of these major components of the Enhancement Project.

*Question 113.* Secretary Norton, thank you for including \$80,000 in your fiscal year 2004 budget request for seismic safety rehabilitation of buildings at the Entiat NFH. I am pleased that this vital work was funded in the Interior Appropriations bill. However, I understand that this is a multi-year project whose completion is dependent on additional appropriations. Therefore, I would appreciate an explanation as to why funds were not included for this project in the Fish and Wildlife Service request for fiscal year 2005.

Answer. The Service typically requests funds for seismic remediation projects in phases first, planning and design, and second, construction. The Service does not request construction funds until planning and design is complete and an accurate construction cost is established. In the case of Entiat NFH, funds for planning and design were received in FY 2004 and work is still underway. Once a construction figure is available, construction funds for this project will be placed in the Service's 5-Year Construction Plan.

*Question 114.* Secretary Norton, thank you for including \$120,000 in your fiscal year 2004 budget request for seismic safety rehabilitation of buildings at the Makah NFH. I am pleased that this vital work was funded in the Interior Appropriations bill. However, I understand that this is a multi-year project whose completion is dependent on additional appropriations. Therefore, I would appreciate an explanation as to why funds were not included for this project in the Fish and Wildlife Service request for fiscal year 2005.

Answer. The Service typically requests funds for seismic remediation projects in phases—first, planning and design, and second, construction. The Service does not request construction funds until planning and designs is complete and an accurate construction cost is established. In the case of Makah NFH, funds for planning and design were received in FY 2004 and work is still underway. Once a construction figure is available, construction funds for this project will be placed in the Service's 5-Year Construction Plan.

*Question 115.* Secretary Norton, thank you for including \$130,000 in your fiscal year 2004 budget request for seismic safety rehabilitation of buildings at the Winthrop NFH. I am pleased that this vital work was funded in the Interior Appropriations bill. However, I understand that this is a multi-year project whose completion is dependent on additional appropriations. Therefore, I would appreciate an explanation as to why funds were not included for this project in the Fish and Wildlife Service request for fiscal year 2005.

Answer. The Service typically requests funds for seismic remediation projects in phases—first, planning and design, and second, construction. The Service does not request construction funds until planning and design is complete and an accurate construction cost is established. In the case of Winthrop NFH, funds for planning

and design were received in FY 2004 and work is still underway. Once a construction figure is available, construction funds for this project will be placed in the Service's 5-Year Construction Plan. It is likely that construction funds for this project will be requested sometime between FY 2006 and 2010 depending on available funding and the priorities of other significant health and safety projects.

*Question 116.* Secretary Norton, the Elwha River Ecosystem and Fisheries Restoration Act (the Elwha Act) of 1992 authorizes the Secretary of the Interior to acquire the Elwha and Glines Canyon dams in Northwestern Washington and fully restore the river's ecosystem and native anadromous fisheries. As you probably know, the National Park Service is in the process of removing the Elwha dams and I was pleased that funding was included in the Interior Department's fiscal year 2004 budget request and ultimately the Interior Appropriations bill for removal of the Glines canyon dam. DOI's fiscal year 2005 request includes a new line item for the restoration of the Elwha River Ecosystem with funding of \$26.95 million. Please detail how the Department would, if appropriated, use these requested funds towards this effort. When will the dams be completely removed and the local ecosystem fully restored?

Answer. The \$26.95 million would provide \$21 million for dam removal, \$2 million for ecosystem restoration efforts (i.e., revegetation activities, tribal hatchery modifications, etc.) and \$3.95 million for miscellaneous activities (i.e., project management, cultural resources mitigation, flood mitigation). Although the dams will be fully removed by the end of 2009, full ecosystem and native anadromous fisheries restoration will take about 30 years. Only about the first 10 years of that would be active management while the remaining 20 years would be monitoring and harvest management by the State, Tribes, and NPS.

*Question 117.* Secretary Norton, I was pleased to see the Interior Department's fiscal year 2005 budget request asks for \$1,940,000 for removal of salmon obstructions and construction of bridges in the Olympic National Park. Please detail how these funds will be used to restore salmon habitat.

Answer. This project involves the construction of a dual lane bridge at West Twin Creek on the Hoh Road and a fish-passable culvert at East Twin Creek. The culverts located at the West Twin Creek and East Twin Creek crossings were designed and installed in the early 1960's when little was known about designing culvert installations to allow for fish passage. Similarly, little was understood about the need to design culvert installations to allow for passage of streambed material to prevent accumulation of streambed material upstream of the culverts and erosion of streambed material downstream from the culverts. Erosion below the culvert outfall at both of these crossings has created a drop to the plunge pool in excess of 6 feet, which prevents access to adult salmon returning to spawn and juvenile salmon seeking refuge during high flows on the Hoh River. Removal of the two obstructions and replacement with fish-passable stream crossing structures will allow salmon, trout, and char populations to freely migrate under the road, re-establishing access to approximately two miles of high quality fish habitat upstream from these crossings.

*Question 118.* Secretary Norton, on January 30, 2004, I sent a letter thanking you for the Interior Department's participation in helping our nation celebrate the bicentennial of Lewis and Clark's historic Corps of Discovery. Specifically, I was pleased to note that the recently released Lower Columbia River Draft Boundary Study concluded that all three sites that Congress directed the National Park Service to examine in Public Law 101-628 met the inclusion criteria of national significance, suitability, and feasibility, and that the study chose Alternative D as the environmentally preferred alternative. Alternative D is a comprehensive and collaborative approach that bundles all of the Lewis and Clark sites in the region into the "Lewis & Clark National and State Historical Park." I understand that both the study and draft authorizing language are currently under review by your office. Will the Department of the Interior complete its review in time for Congress to move forward with the necessary authorizing language so that we can complete this effort in time for the west coast celebrations in 2005?

Answer. Yes. On February 23, 2004, the Department transmitted to Congress an administration legislative proposal entitled a bill "to redesignate Fort Clatsop National Memorial as the Lewis and Clark National Historical Park, to include sites in the State of Washington as well as the State of Oregon, and for other purposes" along with a copy of the recently completed *Lower Columbia River Lewis and Clark Sites Boundary Study*. The administration legislative proposal would implement the proposed partnership effort identified in Alternative D of the boundary study. With Lewis and Clark Expedition 200th Anniversary commemoration events scheduled in Washington and Oregon beginning in the summer of 2005, we agree the with time frame you suggest and are urging Congress to introduce, refer to the appropriate committee and enact the administration legislative proposal as quickly as possible.

*Question 119.* Secretary Norton, following National Park Service Director Mainella's July 24, 2003 testimony before the Energy and Natural Resources Committee, I submitted the following question for the record. I am very displeased the Department of the Interior has yet to reply to my inquiry. I hope you will personally see to it that this time my question is answered in a timely and comprehensive manner.

Answer. Senator Cantwell, the National Park Service provided the subcommittee with a copy for the minority, with answers to your questions for the record under a cover letter dated December 24, 2003. Nevertheless, I am happy to include with this response a copy of the answer to your previous question.

*Question 120.* Director Mainella, in your July 23, 2003 testimony before the Energy and Natural Resources Committee, you stated that, contrary to press reports, Mount Rainier is not currently on the Park Service competitive sourcing plan for fiscal years 2003 and 2004. What factors led the Park Service to exempt Mount Rainier from consideration over the next two years? Was Mount Rainier ever under consideration for competitive sourcing and is it likely to be after FY 2004?

Answer. The National Park Service (NPS) requested a draft competitive sourcing plan from each of its seven regional offices. Each region was then asked to prioritize which reviews represented the most practical areas of review based on factors such as proximity to major metropolitan areas, size of study and potential impacts on NPS diversity. The Pacific West regional office identified Mount Rainier as the least appropriate area on their list based on location and size of study. They were subsequently given the alternative to delete one of the reviews from the plan and chose to delete Mount Rainier.

There has been no request to date by the Department for identification of future reviews of Mount Rainier.

*Question 121.* Secretary Norton, following National Park Service Director Mainella's July 24, 2003 testimony before the Energy and Natural Resources Committee, I submitted the following question for the record. I am very displeased the Department of the Interior has yet to reply to my inquiry. I hope you will personally see to it that this time my question is answered in a timely and comprehensive manner.

Answer. Senator Cantwell, the National Park Service provided the subcommittee with a copy for the minority, with answers to your questions for the record under a cover letter dated December 24, 2003. Nevertheless, we are happy to include with this response a copy of the answer to your previous question.

*Question 122.* Director Mainella, will any other National Parks in Washington State be part of the Park Service's competitive sourcing plan? If they are, how many federal jobs do you anticipate would be affected?

Answer. While I cannot predict what areas might be included in future plans, there are no additional National Park units in Washington State identified in our current competitive sourcing plan.

*Question 123.* Secretary Norton, following National Park Service Director Mainella's July 24, 2003 testimony before the Energy and Natural Resources Committee, I submitted the following question for the record. I am very displeased the Department of the Interior has yet to reply to my inquiry. I hope you will personally see to it that this time my question is answered in a timely and comprehensive manner.

Answer. Senator Cantwell, the National Park Service provided the Subcommittee, with a copy for the minority, with answers to your questions for the record under a cover letter dated December 24, 2003. Nevertheless, we are happy to include with this response a copy of the answer to your previous question.

*Question 124.* Director Mainella, you stated that no maintenance backlog funds have been or will be used on competitive sourcing at any location. Where does funding for competitive sourcing studies come from?

Answer. For FY 2003, we used funds originally appropriated for natural resources contract work. The projects will be re-advertised early in FY 2004 to minimize the delay of their start.

*Question 125.* Secretary Norton, following National Park Service Director Mainella's July 24, 2003 testimony before the Energy and Natural Resources Committee, I submitted the following question for the record. I am very displeased the Department of the Interior has yet to reply to my inquiry. I hope you will personally see to it that this time my question is answered in a timely and comprehensive manner.

Answer. Senator Cantwell, the National Park Service provided the subcommittee with a copy for the minority, with answers to your questions for the record under a cover letter dated December 24, 2003. Nevertheless, we are happy to include with this response a copy of the answer to your previous question.

*Question 126.* Can you provide any concrete examples where competitive sourcing in national parks has saved taxpayer dollars? Have competitive sourcing efforts in the past ever ended up costing taxpayers more, or resulted in national parks not meeting their performance goals?

Answer. Yes, there are examples where competitive reviews have saved taxpayer dollars. For example, NPS employees won the competition after study of archeological services at the Southeast Archeological Center. The NPS used the competitive sourcing initiative to formulate their most efficient organization (MEO) in accordance with OMB Circular A-76. The winning MEO reduced FTEs by about 17 and will reduce the cost of operation by \$850,000 per year. The five-year contract will result in a savings of \$4.2 million. The total cost of the study, including in-house staff and consultant time, was \$232,000.

Over the past two years, and prior to the implementation of revised Circular A-76, the NPS accomplished 859 direct conversions for a savings of approximately \$163,000. The total cost of accomplishing the direct conversions consisted of \$4,000 in in-house NPS staff time. No consultant costs were incurred for the direct conversions.

Because only one has been completed, the total costs and savings associated with the NPS pilot studies have not been determined. We will provide those numbers as they are completed. To my knowledge, the competitive sourcing effort has neither cost the taxpayers more nor caused NPS to fail to meet its performance goals.

*Question 127.* Secretary Norton, the President's fiscal year 2005 budget request for the four main Fish and Wildlife Service Endangered Species Act (ESA) accounts was cut by \$7.5 million from the fiscal year 2004 enacted level. Please detail how these reductions, if agreed to by Congress, would reduce ongoing activities mandated under the ESA. Do these cuts signal any shift in the priorities of the Department of the Interior in meeting its obligations under the ESA?

Answer. The overall reduction in the endangered species program is largely due to the elimination of pass-through funding included in the 2004 Appropriations Act. The reductions in these earmarks have been offset with substantial increases in related grant programs that support recovery of threatened and endangered species. For example, the Landowner Incentive Program was increased by \$20 million, to \$50 million, and the Cooperative Endangered Species Conservation Fund increased by \$8 million, to \$90 million. 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.

*Question 128.* Secretary Norton, the President's fiscal year 2005 budget request proposes new authority that would allow the Bureau of Land Management to significantly expand its authority to sell off public lands under its jurisdiction in order to fund infrastructure maintenance. Please detail how this new authority, if agreed to by Congress, would be used, the size and scope of privatization of public lands, and the level of revenues the Department hopes to generate from these sales.

Answer. The budget proposes certain technical amendments to the Federal Land Transaction Facilitation Act (FLTFA), which was enacted by the Congress in 2000. The amendments will address two difficulties that the Bureau of Land Management has found in implementing the current law. Under the Act, BLM is limited to selling lands that had been identified for disposal in land use plans that were in effect prior to enactment of FLTFA. However, BLM is involved in a multi-year project to bring all of its land use plans up-to-date, replacing plans that were in effect when FLTFA was enacted. Additionally, the Act currently limits use of receipts to purchase of other lands. It does not make funds available for land restoration projects.

FLTFA is a valuable tool to allow the Bureau of Land Management to dispose of tracts that are not needed for resource, recreation or management purposes. These tracts will most often be isolated tracts located in or adjacent to growing urban areas that are difficult for BLM to manage and that, if sold, can provide economic benefits to growing communities. All such tracts must be identified through the land use planning process, in accordance with the rigorous criteria for land sales set forth in section 203 of the Federal Land Policy and Management Act of 1976 (FLPMA). BLM estimates that marketable tracts suitable for disposal may total 450,000 acres or two-tenths of one percent of the land administered by the Bureau.

The 2005 budget assumes FLTFA receipts of \$34 million based on enactment of amendments to the Act. Annual receipts through 2009 are assumed to be \$43 million in 2006, \$48 million in 2007, and \$58 million in 2008 and 2009.

*Question 129.* Secretary Norton, on December 11, 2003 the United State Geological Survey (USGS) signed a Memorandum of Understanding to undertake an important study of the Spokane Valley/Rathdrum Prairie aquifer. This study of the bi-state aquifer will give both Washington and Idaho the information they need to better serve the water needs of the more than 400,000 people in the Spokane-Coeur

d'Alene area. Please provide an update on the general approach USGS will take on this study and progress to date on selecting the management, technical, and policy committees for this study.

Answer. The first year of this interstate study was funded by an earmark of \$500,000 in the 2004 Interior appropriations. The study will be conducted by the United States Geological Survey (USGS), in close cooperation with the water agencies in both Idaho and Washington. A Memorandum of Understanding among the USGS, the Idaho Department of Water Resources, and the Washington Department of Ecology has been signed and the work plan for the first year is in review. This year's work will comprise compilation, collection, and preliminary interpretation of data needed to develop a model of the aquifer. The overall approach is to use existing data, information, and models wherever possible, collect new hydrologic and geologic data as needed, and develop a water-management model. The model will be publicly available and suitable for use by both States for water management.

The Management Committee (MAC), comprising two members from each of the agencies, has been established and met. They have directed scientific staff from their agencies, which make up the Project Technical Leadership Team (PTLT), to recommend membership in the Technical Advisory Committee (TAC). The two State agencies will select the membership of the Policy Advisory Committee, probably from the existing Stakeholders group, by the next MAC meeting.

The PTLT, with the TAC, will evaluate existing ground-water models for applicability to the study area and objectives. The USGS has begun data compilation, analysis of existing data, and development of a scope of work for contracting water-use data collection. USGS will begin additional data collection this spring with field assistance from the States. Modeling will commence after the PTLT has determined whether to start with an existing model or construct a new model.

*Question 130.* Secretary Norton, legislation in the 2003 Energy Bill would have allowed an inventory of oil and gas resources on the Outer Continental Shelf (OCS). I understand the Minerals Management Service has performed an analysis of the potential supplies of oil and gas off the coast of Washington State. Please detail the results of this assessment.

Answer. The results of the last official resource assessment conducted in 2000 for the Washington/Oregon Planning Area is as follows:

Oil: Undiscovered Technically Recoverable = 0.36 Billion Barrels  
Gas: Undiscovered Technically Recoverable = 2.30 Tcf

*Question 131.* Secretary Norton, I often hear from my constituents in Washington State that the Endangered Species Act permit process takes too long because there are not enough Fish and Wildlife Service personnel available to process applications in a timely manner. I am concerned that many projects are delayed or never completed due to this lack of resources. Please explain how your fiscal year 2005 budget request ensures that these personnel shortages are addressed in the Northwest region.

Answer. The Service faces increasing demands for technical assistance and section 10 permit processing throughout the nation. It allocates resources to the regions based on an estimate of the relative workload in each region. This estimate is largely based on the number of listed and other at-risk species found in the region. The Pacific Region, which has considerably more listed species than any other region, receives a larger allocation than any other region. The region uses a similar system to allocate resources to the various field offices in the region, so each field office is able to respond proportionately to its workload.

In the face of this increasing workload, we are currently reviewing ways to streamline the permit processing review and approval process. For example, relatively little actual, on-the-ground conservation benefit accrues through the review and approval of many scientific and recovery permits. Rather than devoting additional resources to more of the same kind of permit reviews, we intend to simplify the process to review and approve more permits more efficiently. This will allow the Service to devote more of its limited resources to activities that have greater actual benefits for listed species.

*Question 132.* Secretary Norton, habitat restoration efforts in Washington State have declined in recent years due to lack of Fish and Wildlife Service participation and a shortage of non-federal matching funds. I am concerned because the private partners involved in these important projects are beginning to feel abandoned, despite previous federal funding commitments, since Fish and Wildlife Service is no longer involved in projects. Please explain what steps you plan to take to increase Fish and Wildlife Service participation in habitat restoration efforts with respect to funding and participation levels.

Answer. While funding for some Service programs operating in Washington State has declined over the past few years, the funding for other voluntary habitat restoration programs has increased. In particular, the Fish and Wildlife Service's FY 2005 budget includes \$370.5 million for cooperative conservation programs, including \$86.5 million for the Cooperative Conservation Initiative and \$284 million for conservation grants. The Cooperative Conservation Initiative is a vital part of the Department's cooperative conservation vision, and awards grants for land restoration and conservation projects that leverage Federal dollars through partnerships. Private landowners have access (directly or through their State agencies) to several grant programs including the Landowner Incentive Program and Private Stewardship Grants Program for endangered species, Challenge Cost-Share, State and Tribal Wildlife Grants, Cooperative Endangered Species Conservation Fund, and National Coastal Wetlands Grants. Funding for the Partners for Fish and Wildlife Program and the Coastal Program is proposed for increases in FY05. The Service is addressing priority needs of Pacific salmon and invasive species through inter-agency initiatives. Both of these programs can and are being used to address high priority habitat restoration projects. The Service is committed to working in partnership with state and local organizations to design and implement landscape level solutions to fish and wildlife resource issues, that obviously cannot be addressed by the Service, the States, or our conservation partners single-handedly.

*Question 133.* Secretary Norton, I understand that a number of Habitat Conservation Plan (HCP) applications in Washington state have been delayed due lack of available Fish and Wildlife Service personnel. This has resulted in increased costs for applicants who are forced to hire outside consultants to navigate through the complicated application process. In addition, current HCPs are not being properly monitored to ensure compliance. Please explain what you plan to do to ensure that HCPs are permitted within an acceptable time frame and to ensure quality monitoring of HCPs.

Answer. The Fish and Wildlife Service is fully engaged in working with all stakeholders in the development and implementation of Habitat Conservation Plans (HCP) in Washington State. Currently over 2.5 million acres of forested lands and riparian areas in Washington are being managed under HCPs, providing long-term conservation for a wide variety of fish and wildlife species. Additionally, there are another 25 HCPs being developed that will address forestry and water management issues on over one million acres in Washington State.

The Service, in Washington State, has attempted to streamline strategies and coordination efforts to ensure better use of funding in a more timely fashion. Some examples of streamlining techniques used by the Service include: concurrent review of draft HCPs by field, Regional, and Solicitor staff, development of joint schedules with applicants, and development of Regional HCPs that have programmatic emphases which reduce the need for every landowner to submit an individual HCP. The Service is planning to offer to its staff a national workshop focused on streamlining of permitting programs such as HCPs. One goal of the workshop is to target administrative changes that can be implemented immediately to reduce the time and costs necessary to complete the permitting process. Because of the increased workload associated with processing HCPs, the Service has advised applicants to hire consultants to prepare NEPA documents and expedite the processing of HCP applications. The Service provides a grant program under Section 6 of the ESA that provides funding to applicants to offset their consultant costs.

*Question 134.* Secretary Norton, Washington State agencies have expressed concerns that Fish and Wildlife Service will not be able to provide timely assistance to complete the Department of Natural Resources Forests and Fish Habitat Conservation Plan (HCP), a federal-state venture. I am concerned that this will delay implementation and timber management that will adversely affect schools and other public construction dependent on forest management on state lands. Please explain what steps you plan to take to ensure timely implementation of the federal aspects of the Forest and Fish HCP?

Answer. The Service has been providing technical assistance to the State of Washington since 1997 to negotiate improvements to the state's forest practice rules to provide better protection for listed salmonids and other aquatic species. After several years of collaborative effort, a report was prepared in 1999 (the Forests and Fish Report), which provided several recommendations for comprehensive improvements in the statutes, rules and implementation of state's forest practices. On February 14, 2002, Governor Gary Locke informed the Fish and Wildlife Service of the State's intent to apply for a Section 10 permit to obtain federal assurances for implementation of the improvements recommended in the FFR. In this regard, a project schedule has been developed in conjunction with the Washington Department of Natural Resources (WDNR), a dedicated fish and wildlife biologist was

hired to work exclusively on the FFR HCP Adaptive Management Program, and a total of over \$2 million (over two years) has been awarded to the State under the HCP Planning Assistance grant program to support this effort. Work is progressing on the Draft EIS through regularly scheduled meetings with the contractors working on the EIS, the state and other stakeholders. WDNR is also working on a draft of the HCP, and chapters of the document are being disseminated to the review agencies as they become available to expedite the process. Our collective objective is to have the DEIS and DHCP available for public comment by July 30, 2004, and the FEIS and FRCP available by April 15, 2005, and we anticipate finalizing our action by the June 30, 2005 target date.

Finally, the Service has made a substantial commitment to the WDNR's Forests and Fish HCP. In both 2002 and 2003, the Service awarded grants, through the HCP Planning grants program, to this HCP. These grants total almost \$2.2 million to date. The President's budget proposes an \$8 million increase in the Cooperative Endangered Species Conservation Fund grants program. The State of Washington's Forests and Fish HCP is expected to continue to be a competitive applicant for this and other Service grant programs.

*Question 135.* Secretary Norton, I am pleased to support the Interior Department's efforts to expand renewable energy opportunities on public lands. Please detail the renewable resources contained on public lands in Washington State that might benefit from this initiative.

*Answer.* Of the 400,000 surface acres of BLM administered lands in the State of Washington, opportunities for producing energy from wind and geothermal resources are available and being evaluated, particularly in central Washington. The nationwide Wind Energy Development Programmatic Environmental Impact Statement will cover BLM-administered lands in Washington. Additionally, BLM is allocating \$100,000 to the BLM Oregon and Washington State Office for participation in the Federal Energy Regulatory Commission's licensing of hydroelectric projects in Oregon and Washington. In the BLM's Spokane District, there are 20 hydropower projects that are providing renewable energy from rivers and streams. Washington State has a highly successful forest products industry which is essential to the development of a bio-energy program. The Department of the Interior is working closely with the Department of Energy and Department of Agriculture to develop a comprehensive woody biomass utilization initiative, and recently signed a Memorandum of Understanding among the three Departments to "support the utilization of woody biomass by-products from restoration and fuels treatment projects wherever ecologically and economically appropriate and in accordance with the law".

*Question 136.* Secretary Norton, I understand that in an effort to increase the timber harvest under the 1994 Northwest Forest Plan, the Forest Service and the Bureau of Land Management plan to stop conducting detailed surveys of Washington State forest life. Please explain how the Department of the Interior will maintain the obligation under federal law to protect sensitive species without the Survey and Manage program. What other efforts is the Department of the Interior taking to try and meet the one billion board feet of timber harvest allowed under the 1994 Northwest Forest Plan?

*Answer.* The 1994 Northwest Forest Plan (NWFP) was designed to provide a balance between protection for older forests, wildlife and waterways, and production of a sustainable and predictable level of timber supply on national forests and BLM-managed lands within the range of the northern spotted owl (generally western Oregon and Washington, and northwestern California).

The agencies' preferred alternative would remove the Survey and Manage Mitigation Measure Standards and Guidelines contained in the Northwest Forest Plan. Under the preferred alternative, the species' habitat needs would rely on other elements of the Northwest Forest Plan and existing Forest Service Sensitive Species and the BLM Special Status Species policies. The objective of these policies is to avoid taking federal action that would contribute to the need to list a species under the Endangered Species Act. The Forest Service policy also meets the diversity and viability requirements of the National Forest Management Act and its implementing regulations.

The decision to prepare the SEIS came as a result of a settlement of a lawsuit that involved the Department of the Interior, the Department of Agriculture, and a private timber organization, the Douglas Timber Operators. In their lawsuit, the Douglas Timber Operators claim the Survey and Manage provisions are excessive and unwarranted because they violate the Oregon & California Revested Lands Sustained Yield Management Act of 1937 and are beyond the authorities of the National Forest Management Act, the Federal Land Policy and Management Act, the National Environmental Policy Act, and the Endangered Species Act.

The Final Supplemental Environmental Impact Statement (SEIS) released by the BLM and USDA Forest Service (USFS) addresses the protection of sensitive species through existing USFS Sensitive Species and BLM Special Status Species policies.

In order to increase production goals, as well as to improve forest health, the BLM is implementing increased thinning of younger timber stands located in Late Successional Reserves identified in the NWFP. The intent of these activities is to accelerate attainment of old-growth characteristics within these stands. While the thinnings are designed to achieve ecological goals, the by-product of the activities will often be logs of commercial size and value, which will be sold.

*Question 137.* Secretary Norton, one of the most disturbing situations I hear from my Indian constituents is the trouble they have accessing Indian Health Clinics. As I understand it, if a tribal member has private insurance they are required to use it first, making Indian Health Clinic only providers of last resort. Practically, this means a tribal member could literally live across the street from the Indian Health Clinic, but has to drive off the reservation (sometimes several miles) to receive care. Please explain why Indian Health Clinics cannot take enrolled tribal members with private insurance plans.

*Answer.* The BIA does not have responsibility for providing Indian Health Clinics. Indian Health Clinic accessibility questions would be best answered by the Indian Health Service (IHS), an agency within the Department of Health and Human Services. The IHS is the agency responsible for providing federal health services to American Indians and Alaska Natives.

*Question 138.* Secretary Norton, the Bureau of Indian Affairs' fiscal year 2005 request for Indian Land and Water Claims Settlements and Miscellaneous Payment to Indians was cut \$25,094,000 from its fiscal year 2004 enacted level. Please explain how these funds are used whether any of the cuts were discretionary as opposed to dictated by the completion of settlement payouts, and whether this account will be able to accommodate additional settlements in future years.

*Answer.* The reduction is due in large part to the federal government's completing its commitments to several ongoing settlements. The attached table provides the reason for each of the changes made from the 2004 enacted level to the 2005 request. As additional settlements are enacted in future years, funding will be requested in the account to pay the settlements.

*Question 139.* Secretary Norton, the Muckleshoot Tribal School Board requested information regarding the evaluation and ranking of its 2001 replacement school application. Unfortunately, to date, the Office of Facilities Management and Construction only provided the Muckleshoot Tribal School Board with a list of the nine highest ranked schools, but did not provide any additional information or address the Tribe's concerns. Please provide a copy of the priority list of schools that are included to be added to the current school construction list including their position in the previously published list that have not received full funding: a copy of the complete ranking list of all schools that submitted applications for new school construction, based on the ratings by the Evaluation Committee; an explanation of the reasons for the Muckleshoot ranking based on the rating criteria; and a listing of the members of the Evaluation Committee and assignments.

*Answer.* The Muckleshoot Tribal School is number 4 on the most recent priority list of 14 replacement schools that was transmitted to Congress on February 23, 2004. This list will also be published in the Federal Register in the very near future. The last five unfunded schools on the previous list are included in the 2005 President's Budget.

*Question 140.* Secretary Norton, the Samish Indian Nation, based in Anacortes, Washington, underwent a 24-year struggle to regain its federal recognition after being mistakenly removed by the Bureau of Indian Affairs from a 1969 list of federally recognized tribes. Through a protracted administrative process and lengthy litigation, the Nation in 1996 finally had its federally recognized status reaffirmed by the Department of the Interior. The Nation is now working hard to rebuild its community and has found much difficulty obtaining basic services from the Bureau of Indian Affairs to which it is entitled as a federally recognized tribe, such as the ability to contract under P.L. 93-638. Unfortunately, over the past few years, the Bureau of Indian Affairs has rejected all of the Nation's applications for contracts under P.L. 93-638 (e.g., housing improvement, social services, Indian child welfare, employment assistance, higher education, law enforcement, child protection, adult education, vocational training, and Johnson O'Malley) on the basis that there is essentially no room in the Bureau of Indian Affairs budget for the Nation.

Please explain why the budget for the Bureau of Indian Affairs has failed to accommodate the Samish Indian Nation and the funding it needs to contract under P.L. 93-638 despite the Bureau's trust responsibility to the Nation to do so. What steps has the Bureau of Indian Affairs undertaken, or will undertake, to accommo-

date the Samish Indian Nation's contracting requests in fiscal year 2005 and in future budgets?

Answer. Currently, the Department is involved in three lawsuits with the Samish Indian Tribe of Washington. To differing degrees, issues raised in this question are part of these lawsuits. The Department therefore cannot respond to your specific questions until these lawsuits are concluded. It should be noted, however, that the Samish Tribe received approximately \$359,000 in FY 2004 through a P.L. 93-638 contract.

*Question 141.* Secretary Norton, I am sure you will agree that assisting Tribal governments in rebuilding their communities is one of the core responsibilities of the Bureau of Indian Affairs. However, despite the fact that the Samish Indian Nation's federal recognition was reaffirmed in 1996, the Bureau of Indian Affairs has yet to designate a service delivery area for the Nation. Please explain in detail why the Bureau of Indian Affairs has yet to establish a service delivery area for the Samish Tribe.

Answer. Currently, the Department is involved in three lawsuits with the Samish Indian Tribe of Washington. The issue of the Samish Indian Tribes recognition being "reaffirmed" is part of these lawsuits. The Department first acknowledged the Samish Indian Tribe, Washington, as an Indian Tribe in 1996. Recently, the service area issue for the Samish Indian Tribe dropped out of one of these lawsuit. The Department and the Samish Indian Tribe have discussed this matter. The Department intends to resolve the service area issue through future discussions with the Samish Indian Tribe.

*Question 142.* Secretary Norton, as you know, on September 25, 2003, in the case of *Cobell v. Norton*, U.S. District Judge Royce Lamberth ordered the Department of the Interior to account for all individual Indian assets held in trust since 1887. This accounting is critical if our government is to meet its federal trust responsibility and reach an equitable settlement over the funds owed to over 300,000 American Indians. As a member of the Senate Indian Affairs Committee, I feel strongly that the committee of jurisdiction should deal with this issue so that we can hear from the multiple stakeholders through the traditional hearing and legislative drafting process. Do you share the view that the Senate Indian Affairs Committee is the most appropriate body to deal with this issue? What recommendations do you have for the Committee?

Answer. The Department has long believed the authorizing committees should deal with the issues surrounding the Cobell litigation. It is our recommendation that development of legislation that is fair to the plaintiffs and fair to the American taxpayers be the highest priority for the Senate Indian Affairs Committee during this year.

*Question 143.* Secretary Norton, I understand from my staff and the experience of my fellow Senators that the Bureau of Indian Affairs has a policy of not responding to Congressional mail. In fact, I understand that the BIA Legislative Affairs staff will not return the calls of Senate staffers. Please explain how you justify this unacceptable behavior and what specific actions you will take to rectify this situation. Do you feel the responsibility of individual Senators to represent the concerns of their citizens and provide oversight of the Executive Branch does not apply to the Bureau of Indian Affairs or the Department of the Interior?

Answer. No. We will work with the Assistant Secretary of Indian Affairs to ensure this situation is rectified.