

LIMBAUGH AND WEIMER NOMINATIONS

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS
FIRST SESSION

TO

CONSIDER THE NOMINATIONS OF MARK A. LIMBAUGH TO BE ASSISTANT SECRETARY OF WATER AND SCIENCE, DEPARTMENT OF THE INTERIOR, AND R. THOMAS WEIMER TO BE ASSISTANT SECRETARY FOR POLICY, MANAGEMENT AND BUDGET, DEPARTMENT OF THE INTERIOR

JULY 14, 2005



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CONTENTS

STATEMENTS

	Page
Allard, Hon. Wayne, U.S. Senator from Colorado	2
Bingaman, Hon. Jeff, U.S. Senator from New Mexico	3
Craig, Hon. Larry E., U.S. Senator from Idaho	2
Domenici, Hon. Pete V., U.S. Senator from New Mexico	1
Limbaugh, Mark A., Nominee to Be Assistant Secretary of Water and Science, Department of the Interior	5
Weimer, R. Thomas, Nominee to Be Assistant Secretary for Policy, Manage- ment and Budget, Department of the Interior	5

APPENDIX

Responses to additional questions	13
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LIMBAUGH AND WEIMER NOMINATIONS

THURSDAY, JULY 14, 2005

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m., in room SD-366, Dirksen Senate Office Building, Hon. Pete Domenici, chairman, presiding.

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

The CHAIRMAN. The committee will please come to order. We're here this morning to consider the following nominations for positions within the Department of the Interior: Mark A. Limbaugh to be Assistant Secretary, Water and Science; and R. Thomas Weimer—is that it?

Mr. WEIMER. Yes, sir.

The CHAIRMAN. To be Assistant Secretary for Policy Management and Budget. And Senator Craig wants to introduce Mr. Limbaugh, and Senator Allard wants to introduce Mr. Weimer.

I welcome both of you to the committee. The positions to which the two of you are to be nominated have within them the purview for many issues that are extremely important to a number of the States represented by Senators on this committee, and obviously many others.

Many of us, therefore, take a very personal interest in specific issues you must address that sometimes transcend our border concerns that you are effectively administering within the Department's programs. Therefore, I am pleased that individuals of your high caliber have agreed to assume these responsibilities, and look forward to working with you when you are confirmed.

If any of you have members of your family present, please introduce them if you would like now.

Mr. Limbaugh.

Mr. LIMBAUGH. Thank you, Mr. Chairman and Senator Bingaman. I'd like to introduce my wife, Cindy, and my daughter, Allison, and thank you for the opportunity to introduce them.

The CHAIRMAN. Thank you very much.

Mr. Weimer.

Mr. WEIMER. No family here today, just friends and acquaintances. Thank you, Mr. Chairman.

The CHAIRMAN. Now we're going to ask Senator Craig if he would make his remarks regarding Mr. Limbaugh and then we'll move right quick to you, Senator Allard.

**STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR
FROM IDAHO**

Senator CRAIG. Mr. Chairman, Senator Bingaman, let me thank you for an opportunity to introduce a friend and an important constituent to me in Idaho from the town of Fruitland. The great news is that Mark is doing extremely well and has a tremendous opportunity to serve us in a new capacity here in Washington. The bad news is that he reminds me that I once remembered him when he was a small boy, which would suggest to me, Mr. Chairman, that I grow older. But then maybe Mark does too.

Mark currently serves as Deputy Commissioner for the Department's Bureau of Reclamation. He is here today with his wife and daughter who he has introduced. Mr. Chairman, as Deputy Commissioner, Mark Limbaugh has worked vigorously to draft and implement administration initiatives, including his recent work on the Secretary of the Interior Gale Norton's Water 2025 initiative, which as you know is extremely important as a program for the nation, and particularly for the arid west.

His contributions to the Department prompted Secretary Norton during a May 10 press release to express her confidence in Mr. Limbaugh's nomination, stating, "With Mark's continued leadership, I have extreme confidence that Americans will continue to be well served by the Interior's work on both water and science issues."

As a native of southwestern Idaho, Mark has continued his service at both the regional and national levels. After graduating cum laude from the University of Idaho in 1978 with a B.S. in accounting, Mark worked for a number of years for the CPA firm of Deloitte & Touche, located in Boise. Since 1979, he has remained a licensed CPA although he no longer practices.

As a private businessman for well over 10 years, Mark owned and operated nearly 800 acres of commercial farming operation in Idaho. In addition, Mark has served as president and director of the Family Farm Alliance, a grassroots water resource association representing water users in the West on national water issues, as well as serving as a board member of the U.S. Committee on Irrigation and Drainage, whose main objective is to improve water management for irrigation drainage and flood control purposes.

Mr. Chairman, as I hope I've made clear, Mark is an outstanding citizen, a devoted family man, a highly qualified candidate for the job of Assistant Secretary of the Department of the Interior for Water and Science. He will reflect well on the agency and clearly be an asset to this committee as we can rely on him. I'm confident he'll be back when we need him to discuss those important issues that we put high priority on. I thank you, Mr. Chairman, and it is my privilege to introduce Mark Limbaugh to the committee.

The CHAIRMAN. Thank you very much, Senator Craig.
Senator Allard.

**STATEMENT OF HON. WAYNE ALLARD, U.S. SENATOR
FROM COLORADO**

Senator ALLARD. Good morning, Chairman Domenici, and also to my other colleagues on the committee, Senator Bingaman and my colleague from Colorado, Senator Salazar. Chairman Domenici and

Senator Bingaman, I appreciate that you have provided me with the opportunity to introduce my fellow Coloradan, Tom Weimer, to the committee. I'd like to speak for just a moment on Mr. Weimer's background and the experience that qualifies him to serve in the position of Assistant Secretary of Policy Management and Budget at the Department of the Interior.

As you may be aware, Mr. Weimer spent 4 years as chief of staff for your fellow New Mexican, Manuel Lujan, Jr., when he was Secretary of the Interior. In that capacity, he was involved in management and policy development spanning a wide array of natural resources and environmental issues. For the past 4 years, he's been the principal deputy in the Department's Water and Science Office, and for the last 7 months, he has served as the Acting Assistant Secretary. In his capacities there, he has overseen the work of the Bureau of Reclamation and the U.S. Geological Survey.

In addition to his experience in the executive branch, Mr. Weimer has over 10 years of experience as a staff member and staff director on two House of Representatives committees working on energy, science and technology policy and budgets. I urge the committee to give Tom Weimer a full consideration and move his nomination forward expeditiously.

I thank you again for the opportunity to introduce Mr. Weimer and your consideration on this most important matter. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator. Now, the two Senators who did the introducing are free at this point, unless some Senator has a question of them. This is your chance if you want to interrogate Senator Craig, Senator Burns. No, he's leaving. You can't do that today.

Let me ask before we proceed to the swearing in and testimony, any Senator—thank you, Larry. Any Senator have any opening remarks they'd like to make?

Senator Bingaman.

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

Senator BINGAMAN. Thank you, Mr. Chairman. Thank you for having the hearing. I strongly support both of these nominees. I think they're extremely well qualified for these positions. I would just mention one issue that I know Mr. Limbaugh's bound to be talking to both of us and others on the committee about in the coming months, and that is the whole issue of how to resolve some of the Indian water rights claims that we have a lot of in our State and throughout the West. That's got to be a priority, and it's one that you've worked hard on, Mr. Chairman, and I have as well. And we look forward to working cooperatively with the Department to get those issues resolved.

Thank you very much.

The CHAIRMAN. You're absolutely right, Senator, and they are very, very difficult problems.

Senator BINGAMAN. I will have a few other questions I'll put in the record for both of the nominees. Thank you.

The CHAIRMAN. Anything else, Senators? All right. The rules of the committee which apply to the nominees require that they be

sworn in connection with their testimony, so would both of you rise and raise your right hands, please?

Do you solemnly swear that the testimony you're about to give to the Senator Committee on Energy and Natural Resources shall be the truth, the whole truth, and nothing but the truth?

Mr. WEIMER. I do.

Mr. LIMBAUGH. I do.

The CHAIRMAN. Please be seated. Now, before you begin the statements, I'm going to ask you three questions which we ask of all nominees. Each of you will please respond separately to each question.

First, will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress, Mr. Limbaugh?

Mr. LIMBAUGH. I will.

The CHAIRMAN. Mr. Weimer?

Mr. WEIMER. I will.

The CHAIRMAN. Are you aware of any personal holdings, investments, or interests that could constitute a conflict or create the appearance of a conflict of interest should you be confirmed and assume the office to which you have been nominated by the President, Mr. Limbaugh?

Mr. LIMBAUGH. Mr. Chairman, my investments, personal holdings, and other interests have been reviewed by both myself and the appropriate ethics counselors within the Federal Government. I have taken the appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof to my knowledge.

The CHAIRMAN. Mr. Weimer?

Mr. WEIMER. Mr. Chairman, my investments, personal holdings, and other interests have also been reviewed, both by myself and by the appropriate ethic counselors within the Federal Government. I have taken appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof to my knowledge.

The CHAIRMAN. Thank you very much. Now each of you may now make a brief statement. I encourage you to summarize your statements. The rest of the statement in its totality will be made a part of the record. After you have finished, the Senators will have questions. Mr. Limbaugh, will you be begin, to be followed by Mr. Weimer.

Let me suggest to the Senators something I would like to do. We're going to be involved in a series of votes. I would nonetheless like to complete these hearings today. I'd like to do it in the following manner if it's satisfactory, Senator Bingaman. The vote is up, as I understand it, and it will be followed by a succession of votes. I would like to leave the hearing open, ask the witnesses to stay, and whenever a Senator desires, come and ask questions if he so desires, finish their questions, we'll leave it open if another one comes and we'll follow in sequence until we are finished. And let's say for everybody's concern that timeframe will be from now until 11:30. Is that fair enough? Anybody that has questions will find their way back here by 11:30.

Now, do we have time now? Let's start and see what happens. I forgot one question my staff tells me. The third of my questions was—if you'd answer it each of you—are you involved with or do you have any assets held in blind trust?

Mr. Limbaugh?

Mr. LIMBAUGH. Mr. Chairman, no, I don't.

The CHAIRMAN. Mr. Weimer?

Mr. WEIMER. No.

The CHAIRMAN. Now, would you proceed? You start, Mr. Limbaugh, and then we'll proceed with Mr. Weimer.

TESTIMONY OF MARK A. LIMBAUGH, NOMINEE TO BE ASSISTANT SECRETARY OF WATER AND SCIENCE, DEPARTMENT OF THE INTERIOR

Mr. LIMBAUGH. Thank you, Mr. Chairman, Senator Bingaman, and members of the committee. I am honored to appear before you today as the President's nominee to serve as Assistant Secretary for Water and Science at the Department of the Interior. I am humbled to be selected by the President and Secretary Norton and promise that if confirmed by the Senate, I will uphold the trust placed in me through the attributes of honesty, integrity, and hard work.

Growing up in the arid Western State of Idaho and in a family farming operation that depended so heavily on irrigation water for their livelihood, I have come to understand the importance of certainty in water supplies for irrigated agriculture, growing communities, and environmental needs.

I have worked as a certified public accountant, a farmer and rancher, a State water master, an executive director of a water user organization, president of the Family Farm Alliance, and most recently as Deputy Commissioner of the Bureau of Reclamation here in Washington, D.C. My experiences in managing water at the local, State, and Federal levels have instilled in me the importance of a modern and well-maintained water and power infrastructure, and respect for the role of the Western States in allocating and managing the water resources entrusted to them at statehood.

Secretary Norton has attained many accomplishments through her four C's philosophy of communication, cooperation, and consultation, all in the service of conservation. I wholeheartedly subscribe to this philosophy. I used it to resolve water issues in the Payette River Basin in Idaho and in dealing with many challenging water issues during my current tenure as Deputy Commissioner.

The Secretary's Water 2025 initiative managed through the Bureau has focused Federal resources on resolving water problems proactively in areas of the West where conflict can be predicted and possibly prevented. I believe in this initiative, and if confirmed, will work with this committee and the Congress to continue its implementation and communicate its successes.

If confirmed, I will continue to work with this committee and the Bureau of Reclamation in addressing financing for modernization of aging infrastructure, obtaining congressional authorization for a rural water program, and preventing crises and conflict over water in the West through permanent authorization of the Water 2025 grants and cooperative agreements authority.

I will also work to assess and implement organizational and management improvements within Reclamation in order to improve efficiencies and reduce costs.

Western communities, farmers and ranchers, tribes and the States, and the Congress all deserve a focused, efficient, and fiscally transparent Bureau of Reclamation. If confirmed, I intend to work diligently to continue efforts to address these issues.

Also, if confirmed, I will embrace the opportunity to work with the U.S. Geological Survey in bringing sound science and information to decisionmakers in the public. The USGS is the premiere natural resources science agency for this Nation, and I will work to protect the integrity of this role. I have always been an advocate for scientifically based decisionmaking. Objective, credible, peer-reviewed science plays a key role in managing our natural resources in a balanced manner.

In closing, again, I am honored to sit before you today as the President's nominee. If confirmed, I will work in a bipartisan, cooperative manner with the full Senate and with this committee and the House of Representatives and with your constituents as I have these past few years. I have committed to collaboratively searching out fair and balanced solutions to complex water and natural resource issues, and believe these solutions should respect the States, private property rights, the environment, and tribal trust responsibilities of the Department.

Thank you for this opportunity to appear before you today, and I would be pleased to answer any questions you may have.

[The prepared statement of Mr. Limbaugh follows:]

PREPARED STATEMENT OF MARK A. LIMBAUGH, NOMINEE TO BE ASSISTANT
SECRETARY FOR WATER AND SCIENCE, DEPARTMENT OF THE INTERIOR

Mr. Chairman, Senator Bingaman, and Members of the Committee, I am honored to appear before you today as the President's nominee to serve as Assistant Secretary for Water and Science at the Department of the Interior. I am humbled to have been selected by President Bush and Secretary Norton and promise that, if confirmed by the Senate, I will uphold the trust placed in me through the attributes of honesty, integrity, and hard work.

I was raised on a family farm in Fruitland, Idaho, producing apples and other permanent fruit crops, as well as forage crops and cattle, on about 800 acres. In fact, the Bureau of Reclamation has played an important role in our family for many generations, as the promise of federally developed irrigation water brought my family from Missouri to the western United States early in the 20th century. Growing up in a dry State in a family that depended so heavily on a constant water supply, I have come to understand the importance of certainty in water supplies, the need for modern and well-maintained infrastructure, and respect for the role of the western States in allocating and managing the water resources entrusted to them at statehood. I have worked as a Certified Public Accountant, a farmer and rancher, a state water master, the executive director of a water user organization, president of the Family Farm Alliance and, most recently, as Deputy Commissioner for the Bureau of Reclamation here in Washington, D.C. In all of my professional and personal experiences, I have steadfastly held myself to high moral and ethical standards; and if confirmed, will bring these qualities to the office of Assistant Secretary for Water and Science.

Secretary Norton's goals at the Department of the Interior include protecting and enhancing the health and vitality of our Nation's many communities and their environment. She has many accomplishments through her 4Cs philosophy of communication, consultation, and cooperation, all in the service of conservation. I wholeheartedly subscribe to this philosophy. I have used it to resolve water issues in the Payette River Basin in Idaho as well as the many challenging issues during my current tenure as Deputy Commissioner of the Bureau of Reclamation.

During the Klamath Basin crisis shortly after her arrival, Secretary Norton commissioned the development of a program designed to address water issues well in advance of crisis. Her *Water 2025* initiative, managed through the Bureau of Reclamation, has focused Federal resources on resolving water problems proactively in areas of the West where conflict can be predicted and often prevented. I believe in this initiative; and if confirmed, I will work with the Congress and this Committee to continue its implementation and communicate its successes.

If confirmed, I will continue to work with this Committee and the Bureau of Reclamation in addressing financing for the modernization of aging water infrastructure, obtaining Congressional authorization for a rural water program, and preventing crises and conflict over water in the West through permanent authorization for *Water 2025* grants and cooperative agreements. I also will work to assess and implement organizational and managerial improvements in the design, construction, rehabilitation, operation, and maintenance of Bureau of Reclamation water supply facilities in order to improve efficiencies and reduce costs. Our current Federal budgetary constraints will pose many challenges in the future; priorities must be set and adhered to in order to achieve success in these areas. But western communities, farmers and ranchers, tribes and States, and the environment all deserve a focused, efficient, and fiscally transparent Bureau of Reclamation. If confirmed, I intend to work diligently to continue our efforts to address these issues.

If confirmed, I also will embrace the opportunity to work with the United States Geological Survey (USGS) in bringing sound science and information to decision makers and the public. The USGS is the premier natural resources science agency for this Nation, and I will work to protect the integrity of this role. I have always been an advocate for scientifically based decision making. Objective, credible, peer-reviewed science is key to managing our natural resources in a balanced manner.

Our Nation has always dealt with natural and man-made hazards either by advance preparation or managing the aftermaths. The USGS plays a critical role in measuring and assessing earthquakes and tsunamis, volcanic activity, landslides and floods, as well as communicating and mitigating the effects of such hazards through research and applied knowledge. This function has saved lives and property in the past, and it should continue to evolve and become even more effective in the future.

In closing, again, I am honored to sit before you today as President Bush's nominee for Assistant Secretary for Water and Science. If confirmed, I will work in a bipartisan and cooperative manner with this Committee, with the full Senate and House of Representatives, and with your constituents, just as I have with many of you and your staff during the past few years. I understand the importance of the Congress and the Constitutional roles and responsibilities of the Executive Branch. I also understand the expectation of the American people that the branches of their Federal Government should work together in bringing useful and valuable services to the public as efficiently and effectively as possible. I am committed to collaboratively searching out fair and balanced solutions to complex natural resource issues, and I believe these solutions should respect the States, private property rights, the environment, and the tribal trust responsibilities of the Department.

It is also my commitment, if confirmed, to work with Secretary Norton as a part of her management team in overseeing the activities of the Bureau of Reclamation and the USGS, managing, conserving, and protecting the many resources entrusted to the Department of the Interior.

Thank you for this opportunity to appear before you today, and I would be pleased to answer any questions you may have.

The CHAIRMAN. Well, we're down to just a few minutes, so let me do this. First let me say to you, Mr. Weimer, I recall your past performance here and obviously I remember Manny Lujan, and you know he's doing quite well after having had a couple of minor heart attacks, and he has frequently told me what an important right-hand man you were, so I have nothing but great confidence in you.

I think since we're going to be in a state of flux that I would like to ask you if you would agree now to put your statement in the record. If we do that, we'll accomplish that before we leave.

Mr. WEIMER. Absolutely.

The CHAIRMAN. So your statement in its totality is in the record. So is yours.

[The prepared statement of Mr. Weimer follows:]

PREPARED STATEMENT OF R. THOMAS WEIMER, NOMINEE TO BE ASSISTANT
SECRETARY FOR POLICY, MANAGEMENT AND BUDGET, DEPARTMENT OF THE INTERIOR

Mr. Chairman, Senator Bingaman, and Members of the Committee, it is a privilege and great honor to appear before you today as the President's nominee to serve as Assistant Secretary for Policy, Management and Budget at the Department of the Interior. President Bush and Secretary Norton have paid me the highest compliment by recommending me for this position.

By way of my background, I was born in Wyoming and raised in Colorado (which I still consider to be my home State); and I have lived and worked in several other western States. While I began my career as an engineer, since first moving to Washington over 20 years ago, I have worked principally on natural resource, energy, and science and technology policy issues. For over a decade, I worked for former Secretary of the Interior Manuel Lujan, Jr., first as a professional staff member and staff director on his committee staffs in the House of Representatives, and then as his Chief of Staff at the Interior Department. In that capacity, I was afforded the opportunity to observe all of the operations of the Interior Department and I learned to appreciate the immense breadth of responsibilities which Departmental executives must collectively administer in providing service to America's citizens. For the past four years, I have served as the Principal Deputy in the Department's Water and Science Office, providing management oversight and policy guidance to the Bureau of Reclamation and to the U.S. Geological Survey.

During her tenure, Secretary Norton has led Interior with her vision of achieving healthy lands and waters, thriving communities, and a dynamic economy. Three themes underlie her efforts to accomplish these goals: partnered problem solving, an emphasis on balance, and management excellence. Secretary Norton has established a management framework which all of us on her team operate within, working to accomplish the many diverse missions of the Department and its eight bureaus. She has charged us with executing our responsibilities using collaborative and consultative processes with an emphasis on communicating with the Department's many stakeholders. I share the Secretary's vision and management style, and I feel that the two bureaus with which I have worked over the past four years have accomplished a great deal utilizing these principles.

I am deeply honored that President Bush has nominated me for a position that, should the Senate confirm my nomination, will again afford me the opportunity to work on a wide range of Interior's activities in policy, management, and budget arenas that span the Department and its eight bureaus. In policy, we will continue to develop and implement programs to advance resource protection and use, enhance recreational opportunities, and better serve Interior's many communities—including those in Indian Country and in and in the Insular areas. In advancing the President's Management Agenda, we must place an emphasis on investments that will help Interior work smarter, more efficiently, and more effectively. We will work to improve our budget and performance integration, which lies at the heart of ensuring both the strategic allocation and efficient use of funds. We must continue to improve our financial performance to link planning and budgeting with performance results. We will work to improve our information technology (IT) environment by pursuing an E-government strategy to move from Bureau legacy systems to governmentwide and Departmental solutions. We must continue our efforts in the management of human capital as changing public needs, new technologies, and an aging workforce combine to create new business requirements. We will keep looking at competitive sourcing opportunities to evaluate business practices and develop more effective ways to deliver services. And of course, in the area of budgeting, we will be challenged to accomplish our mission using fiscal constraint. Identifying and funding those activities and programs linked to core Departmental responsibilities affords us the best way to continue to deliver our essential services.

If confirmed, I will work in a bipartisan and cooperative manner with this committee and with all members of the Senate and House. My ten years of service on Committee staffs of the U.S. House of Representatives have given me a deep appreciation for the Constitutional roles and responsibilities of the Legislative Branch, and I respect the need for open dialogue with the Congress to facilitate fulfilling our responsibilities to the American people.

If confirmed as Assistant Secretary for Policy, Management and Budget, it is my commitment to work with Secretary Norton and her management team to ensure the highest standards in stewardship for our lands, waters, and people.

Thank you for this opportunity to appear before you. I would be pleased to try to answer any questions you might have.

The CHAIRMAN. With that, I believe we're going to recess because we're going to be open, which is very different. I'll yield to Senator Craig for a moment or two and then we will depart and leave you here informally. You can meander around until a Senator comes.

I have a series of questions which I'm going to submit for you to answer in writing to each of you. And with that, we will leave the hearing open pursuant to the discussion that I have had as to what rules apply.

[Recess.]

Senator SALAZAR. Let me just first say both to you, Mark and Tom, congratulations on your appointments. I know many people who know both of you and they have high accolades for your work, including someone whom you know, and that's Bennett Raley, who is a great friend and one of the best water people that I have ever known in the West. And he says you're the right persons for the jobs, so I intend to be voting for you and I expect that you're going to get good bipartisan support for your confirmation. And congratulations to your families as well and I look forward to working with you.

Let me ask some questions of you. First of all, on some water issues that are very important to all of us in the Southwest and all of us, the seven States who share the Colorado River and who live by the compact that was negotiated by the seven States and ultimately approved by the Congress and signed by the President. I have significant concerns about what is happening with respect to the allocation of water that is really driven by the continuing outflows of water from Lake Powell that have caused a continuing decline of water. And I know that we don't control the climate in the Southwest and we've gone through one of the most severe droughts of our Nation's history in that part of the country.

But I do believe that the amount of water that currently is being allowed to flow out from Lake Powell for the lower basin States is not the way that we ought to be going and that we ought to find a way of rolling that amount back. I understand at least when they last studied this issue a few months ago, the amount of water that we were actually releasing from Lake Powell was some 8.23 million acre feet. It seems to me that with the declines in the water levels at Lake Powell that what we ought to be doing with the Bureau of Reclamation, with the Department of the Interior, with the Secretary as the master of the Colorado River, is to roll that back to 7.5 million acre feet until we can restore balance and equilibrium.

Now, I understand that what happened here is that the Secretary of the Interior decided to basically punt the decision for the later time and to have the States continue to try to work through that issue over the next several months. I would like your thoughts, Tom, as well as—especially from Tom as the Assistant—the nominee for Water and Science on how we might proceed on that Colorado River water allocation issue.

Mr. WEIMER. Actually, Senator, Mark is the nominee for Water and Science. I'm for Policy Management and Budget. I'm acting in the Water and Science job right now and I'd be happy to begin to answer your question and then perhaps Mark can as well.

Senator SALAZAR. I would like both of you to respond.

Mr. WEIMER. Senator, as you correctly pointed out, the Secretary, in making her decision on the mid-year annual operating plan this year, took a number of things into consideration. Certainly the upper basin I think was disappointed that she was unwilling to lower the amount of water going out of Lake Powell. But in looking at the actual hydrological facts of this year, where we had, as you're well aware, in the upper basin a better than normal year. Projected increases in Lake Powell, at the time she made her decision, were that it was going to come up 45 feet, and in fact it is now projected to come up well over 50, almost 60 feet.

So her decisions were narrowly drawn on the facts at that time, but her decision had four parts. The first part was not to change the 8.23 this year, but the second part of her decision was to assert her authority to do that, because you're probably well aware that there are those, particularly in the lower basin, that have said that she does not have that authority, but she disagreed with that and asserted that she does.

The third part of her decision then was to direct Reclamation in the development of next year's annual operating plan to include another mid-year review. So I think when you take parts two and three of her decision together, you could see she clearly signaled that she is willing to, if necessary, and if the hydrology changes, to make a decision to lower the 8.23.

In the last part of her decision, and perhaps as important as the first three parts, was her direction to Reclamation to over the next 30 months develop shortage criteria and conjunctive management of the two lakes, Mead and Powell. And that process has just begun. It will be a cooperative process with the seven basin States. And I think it's really—we look to that process as being the one that we hope will allow us to end up with a regime for operating the river in drought situations, which can take into account many of the considerations you laid out in your remarks.

Senator SALAZAR. So, Tom, the essence of where you believe Interior then will be going with the shortage criteria will be to engage in this process that will take us over a 30-month period to the point where the Secretary can then analyze a set of criteria with respect to how to handle shortages on the Colorado?

Mr. WEIMER. That's correct. And it's analogous to the interim surplus guideline process that Secretary Babbitt had commissioned when he was there—in a process way—but so that's what Secretary Norton is looking at, that's correct.

Senator SALAZAR. Let me—I think somebody just said I had a minute, so let me find out. I have a series of five stacked votes on the floor, so that's what's causing all this, but I wanted to make sure that I had an opportunity to spend a little bit of time with you.

This obviously is an important issue for me and it's something that I want to work with both of you on. And I would ask both of you to keep my office involved as you move forward with the development of the criteria and as you work with the seven states.

There are many other issues that will involve both you, Tom, and Mark that are important to me in Colorado that we need to make sure we don't look sight of. And let me just name them, you don't have to respond to them for me right now. But first the Upper Col-

orado Endangered Fish Recovery Program, that's been a major success relative to how we have dealt with endangered species in the West that's allowed development to take place, as well as to recovery efforts. Every year we get into a funding issue with respect to the recovery program. I want to work with you to continue to make sure that that program continues to be a successful program.

Next, the South Platte River Recovery Program. We have the recovery agreements in place, but that obviously still has a long ways to go with respect to its implementation, and it's going to be important that you know that from a Colorado perspective that remains a very important initiative of ours, because unless we're able to make sure that that implementation plan actually works, we could create havoc for water users in my state as well as in the other states. So I would ask you to continue to put a focus on that.

Fourth, the Arkansas River, a whole set of issues on the Arkansas River, including the Preferred Storage Options Project, which is coming forth from the water conservancy districts. And finally the Arkansas River Conduit, on which Senator Allard and I are having a meeting down in Rocky Ford on Saturday afternoon. And I look forward to working with Interior on all of those issues.

And the last thing, and I just want a simple yes from both of you on this, this committee voted out an energy bill that came out 23 to 1, we passed it in the Senate 85 to 12, it showed what can happen when you have a group of people that come together in a bipartisan spirit. It was a great staff that allowed that to happen and helped us make that happen. But I want your commitment that you'll work with Democrats and Republicans alike and treat them equal in terms of your outreach and your work with them. Can I just have a yes from both of you on that?

Mr. WEIMER. Yes.

Mr. LIMBAUGH. Yes.

Senator SALAZAR. Thank you very much and best of luck to you.

Mr. WEIMER. Thank you, Senator.

[Whereupon, at 11:30 a.m., the hearing was adjourned.]

APPENDIX

RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF MARK LIMBAUGH TO QUESTIONS FROM SENATOR DOMENICI

AGING INFRASTRUCTURE

Question 1. As a former farmer and Watermaster of Idaho's Payette River Basin, as well as in your current capacity as Deputy Commissioner of the Bureau of Reclamation, you have had the unique experience of observing the Bureau's operations from a variety of different perspectives.

Based on these experiences, what is the extent of the aging infrastructure problem?

Answer. Reclamation's infrastructure has been built over the past 100 years, and the median age of a typical facility is about 50 years old. In my experience in the Payette River Basin, I have observed Reclamation infrastructure that, although generally well preserved due to preventive maintenance policies, is in need of modernization and rehabilitation in order to meet the water needs of today. For instance, opportunities exist for the addition of remote operation and automation equipment that can both save money and water in the operation and management of aging water infrastructure. I have also noted that extraordinary maintenance has, at some facilities, become much more expensive due to additional precautions that need to be taken to be in compliance with environmental laws and regulations. At one facility, the cost of simply repainting the inside of a penstock was estimated to be significantly higher than expected due to the prior use of red lead-based paint, which had to be removed, placed in barrels, and hauled to an environmental landfill for processing before repainting could occur. In this particular case, if these costs were treated as an annual O&M expense, the District would have to double its annual water charges to its farmers in one year. These are but a few examples of the challenges our aging Federal infrastructure will present in the future to water contractors and Reclamation.

Question 2. How can we best address the growing need to rehabilitate the Bureau's aging infrastructure?

Answer. First, we must ensure that the condition of Reclamation's water and power infrastructure is continually reviewed and reliability routinely assessed. For those water and power facilities where Reclamation is directly responsible for OM&R, Reclamation should evaluate the need to continue with preventive maintenance and repair activities or alternatively evaluate the need to undertake major rehabilitation and replacement efforts. When water and power users share in the OM&R costs for such rehabilitation and replacement activities, Reclamation should involve the users well in advance regarding issues surrounding the need, timing, costs, and funding arrangements specific to the proposed work activity.

I will ensure that Reclamation continues its proactive approach to facility reviews, condition assessments, preventive maintenance, and efficiency modifications, with a view toward assuring the reliability and viability of its facilities.

When a District is called upon to fund these major projects as OM&R, their reserve funds typically may not be sufficient to meet the total amount required for major rehabilitations or replacements, and a long-term loan might be necessary. Due to the Federal ownership of these facilities and with little collateral to borrow against, these loans could be difficult for a District to obtain. Reclamation is currently analyzing other innovative financing mechanisms, such as a loan guarantee program, that could help with long-term financing for Districts funding major rehabilitations or replacements at Reclamation facilities.

WATER TECHNOLOGY R&D

Question 3. Recent drought and population growth in the western U.S. requires that we make more efficient use of water and develop technologies to make use of previously impaired or unusable water. During the 1960's, the federal government funded extensive research in water technology which resulted in new technologies such as reverse osmosis.

I believe that the federal government should renew its investment in water treatment technology. Toward this end, I have funded construction of a Tularosa Basin Desalination Research and Development center in New Mexico. Also, I have funded the development of new technologies through the Energy and Water Development Appropriations Bill.

What do you believe is the federal government's role in water technology research?

Answer. I believe that determining the appropriate Federal role in water technology research requires high level interagency consultation and coordination. Currently, under the leadership of the Executive Office of the President, the Administration is evaluating federal research and development efforts in desalination in order to clearly establish long-term goals and ensure that our efforts are carried out in accordance with the Administration's Research and Development Investment Criteria, and that these efforts represent the best investment of federal resources.

Question 4. As you are aware, the authority for the BOR's Water Desalination Research and Development Act of 1996 expires this year. Do you believe that this program should be reauthorized and with what changes?

Answer. Yes, the Water Desalination Act of 1996 should be reauthorized. The Act allows Reclamation to participate in external desalination research. I believe that this research is important and while I am unaware of any substantive changes needed, I would be happy to work with Congress to develop appropriate legislation.

RURAL WATER LEGISLATION

Question 5. As you are aware, my staff has been working with you and the minority staff to develop legislation to aid small and rural communities to meet their often extensive water needs. Many western communities rely on aquifers for water that will be depleted within the next decade. This fact makes the situation especially desperate.

There are also rural water programs within several other agencies. However, they are not as broad in scope and not of the scale that would allow many communities to make use of them. Furthermore, it is my belief that the BOR has the technical expertise to undertake such a project.

Is a rural water program a new authority that you feel would be appropriate for the BOR to undertake?

Answer. Yes, I believe Reclamation should have authority to manage a comprehensive rural water program. Currently, rural water projects are authorized on an ad hoc basis without much agency involvement in the planning and design phases. This has created many problems as Reclamation begins its process of managing the construction and implementation phases of these individually authorized projects. In many cases, this has included the need to secure funding for the operation, maintenance and replacement (O,M&R) of these projects into the future since, for some projects, the O,M&R costs have fallen to the Federal government to pay.

I believe the Secretary should have authority to set forth eligibility criteria that should be met by future projects during the initial planning process, both at the appraisal and feasibility levels, before they move forward to design and construction phases. Early Federal involvement in planning and designing rural water delivery systems can save money by utilizing Reclamation's previous experience in constructing water projects and operating and maintaining water systems across the West. Projects recommended as feasible for construction under these criteria can ensure the most efficient and effective use of our limited Federal dollars, and would prioritize the best projects for funding construction.

Question 6. What form do you see this program taking? Do you feel that the loan guarantee program in the bill is a viable mechanism to aid rural communities?

Answer. I see this program setting criteria for both appraisal and feasibility analysis in planning and designing future rural water projects. Involving Reclamation technical experts "up front" in the planning and design phase can save money in the construction process. Also, determining the appropriate level of local cost share for repayment of construction costs and 100% of the project O,M&R at the local level will assess a community's capability to pay such costs in the long run, ensuring a sustainable, long-term project that will meet the rural community's needs.

While the Administration continues to assess the benefits and financial impacts of a loan guarantee program for Reclamation, there could be advantages to using Federal guarantees that would be helpful in developing rural water projects. First, a loan guarantee program could be used to finance part of the local portion of project construction, maximizing a community's capability to cost share a portion of the project costs. Second, using private financing through loan guarantees can help leverage limited Federal dollars in funding construction of such projects, because only a small portion of the guaranteed loan amount is backed by appropriated funds in order to cover expected losses in the future. Finally, the success of the Rural Utilities Service loan guarantee program within the USDA has shown these financing tools can work and are generally accepted by both municipalities and private banking institutions.

Question 7. How do you plan to coordinate with other agencies that have rural water programs to ensure that the federal government does not duplicate efforts?

Answer. Authorizing a formal rural water program within Reclamation would enable the agency to coordinate with other rural water programs throughout government. Currently, Reclamation cannot easily coordinate with these other agencies due to the lack of formal program authorities. Coordination of Federal rural water programs would be a high priority of Reclamation's in implementing any formal program in the future.

Question 8. The USGS maintains numerous river and stream gauges throughout the United States that are relied on to determine compliance with interstate compacts and treaty obligations. However, some of these gauges have fallen into a state of disrepair, calling into question their accuracy. An example of this is when the Red Bluff gauge, which we rely on to determine if New Mexico is meeting its compact deliveries to Texas, was washed-out last year. That instance has called into question if NM was in compliance with the Pecos River Compact last year.

If confirmed, what will you do to ensure that our most important gauges are in good repair so that they provide accurate data?

Answer. As a former water manager, I recognize the importance and value of reliable streamflow information. If confirmed, I will continue to support the USGS National Streamflow Information Program (NSIP) within the Administration's priorities and available resources.

Question 9. What will you do to ensure that an event such as the one at Red Bluff does not occur again?

Answer. The USGS NSIP plan is designed to provide a stable, modernized streamgaging network that addresses core Federal and cooperator needs. I believe in this program and, while unforeseen problems may arise in the future, I will work with the USGS to maintain the integrity of the stream gage system.

WESTERN WATER SUPPLY

Question 10. The Bureau of Reclamation was established in 1902 to help develop and settle the arid West through irrigation and multi-purpose projects. Over 100 years later, the West is largely settled and its population is booming. Agriculture, urban, and environmental needs now compete for a limited and sometimes over-allocated water supply.

Several participants in the Committee's Water Conference in April said that these changes are placing intense pressure on existing Western water supplies, construction of new water storage facilities should be a key component of federal water resources policy.

Do you agree that expansion of existing water supplies should be an important component of any strategy for meeting the long-term water needs of the West?

Answer. I believe that expanding existing water supplies should be a component of long-term water strategies to meet future Western needs. This can be done in a number of ways.

Question 11. If so, what should be the role of the federal government in the development of new supplies?

Answer. The Federal role should include at least three strategies. First, expansion of existing supplies by helping to stretch water supplies to meet unmet needs, as well as current uses, can be accomplished through improvements in water conservation, water use efficiencies, and the use of water markets. The implementation of new water management technology, such as automation, canal lining, and other infrastructure improvements can help accomplish this goal. Second, researching new, more cost-effective water treatment technologies could eventually help add to future usable water supplies in areas where brackish groundwater exists but cannot be utilized economically today. Finally, new water storage capacity may be needed in some areas in order to meet emerging needs for water in the long-term. An appro-

appropriate Federal role in these efforts could include planning and technical assistance, but must include a major role for non-Federal partners in developing and financing such projects.

Question 12. What are the primary institutional, financial, and regulatory impediments to development of new water supplies, and how can they be overcome?

Answer. The States have the authority to allocate waters within their boundaries. Water rights would have to be issued in priority with state allocation systems by the States themselves for any new storage projects. A regulatory hurdle could also include environmental permitting issues at the local, State, and Federal levels. Funding limitations at the Federal, State and local level could impede financing such projects. In attempting to overcome these impediments, it would be prudent to implement strategic goals one step at a time, looking to conservation, efficiencies, and markets, new technology, and other mechanisms that can address water supply problems today, while longer-term strategies for developing new water supplies are studied, environmental impacts are identified, and financial impediments are addressed.

Question 13. What is the Administration's position on alternative funding mechanisms such as a loan guarantee program or a water trust fund?

Answer. The Administration is actively analyzing the possible benefits and financial impacts to Reclamation of a loan guarantee program, but has not taken an official position as of yet. Water trust funds have not yet been discussed in detail within the Administration as a viable alternative funding mechanism.

LOWER COLORADO RIVER

Question 14. The Lower Colorado River basin states of Arizona, Nevada and California are committed to a strategy to minimize over-deliveries of water to Mexico and thereby maximize preservation of the storage capacity in Lake Mead. The elements of this strategy include:

- Lining of the All American Canal and construction of regulatory storage reservoirs adjacent to the All American canal;
- Removal of silt from Laguna Dam;
- Placing the Yuma Desalting Plant into full-capacity operation as soon as possible;
- Reinstating studies and discussions looking toward augmentation of the water supply in the full Colorado River Basin.

What do you believe the Administration's position should be on preserving storage in Lake Mead by eliminating or minimizing over-deliveries of water to Mexico?

Answer. I believe the Bureau of Reclamation should continue to work hard to ensure that water deliveries to all water users in the Lower Basin are made as efficiently as possible. I also believe Reclamation should minimize over-delivery to Mexico. With regard to losses that occur because of floods on Lower Basin tributaries, Reclamation and the U.S. Army Corps of Engineers have coordinated water supply and flood control operations to ensure capture of most of the flood water. Reclamation estimates that Lake Mead is nearly 30 feet higher now than projected in October 2004 because of these coordinated operations. Furthermore, Reclamation is working with Lower Basin water users to identify options for developing additional regulatory storage facilities that could conserve up to 40,000-50,000 acre feet of water annually that would otherwise constitute over-deliveries to Mexico.

Question 15. What is the Administration's position on each of these four elements?

Answer. In regard to lining the All American Canal, the Imperial Irrigation District, San Diego County Water Authority and Reclamation are continuing work on designing the canal features. It is expected that construction will begin in early 2006.

Reclamation has received several letters from various organizations within the United States and Mexico alleging violations of law regarding the proposed lining project. Included among the alleged violations are issues associated with potential impacts of the canal lining project within the Republic of Mexico. Reclamation and the Department of the Interior are working with the State Department and the International Boundary and Water Commission regarding these issues.

In regard to construction of regulatory storage reservoirs adjacent to the All American Canal, Reclamation is working on a Preliminary Study of the Lower Colorado River Water Storage Alternatives. These alternatives include reservoirs along Drop 2 of the All American Canal, Expansion of the Laguna Reservoir, and Rehabilitation of Senator Wash Reservoir. Among other actions, further feasibility level analysis should be completed before construction of the reservoirs can begin.

The Preliminary Study of the Lower Colorado River Water Storage Alternatives included the removal of silt behind Laguna Dam as one of the three final alter-

natives for obtaining additional regulatory storage on the Lower Colorado River. Additional analysis and compliance review must be completed before the project could begin.

Reclamation is addressing the Yuma Desalting Plant issue in three ways. First, while the Plant is being maintained in a ready-reserve status, design deficiencies that must be corrected prior to Plant operation are being resolved to the extent funding allows. Second, Reclamation plans a demonstration program to evaluate the viability of Colorado River water users voluntarily forbearing the use of water by fallowing land in exchange for cash payment. The water saved by fallowing could serve as a replacement supply for the bypassed drain water. Third, Reclamation plans to initiate a public planning process to identify, analyze, and evaluate alternative ways of replacing or recovering bypassed flows that are required to meet water quality standards under the Mexico treaty. Our current approach, then, is to improve the readiness of the Plant to operate while pursuing options to replace or recover bypassed drain water that may be available at a lower cost and may avoid negative environmental impacts.

Finally, augmentation of the water supply of the Colorado River Basin is a topic the Department is willing to discuss with the Basin States and others.

WATER 2025

Question 16. In 2003, the Bureau of Reclamation administratively created its Water 2025 grant program. The House Energy and Water Appropriations Subcommittee, however, has routinely zeroed out funding for this program, citing a lack of Congressional authorization. In my role as Chairman of the Senate Energy and Water Appropriations Subcommittee, I have added an authorization in the appropriations bill.

Do you believe that a Congressional authorization for Water 2025 is not necessary? If so, how do you plan to respond to the House attempts to kill the program's funding?

Answer. The FY 2004 and FY 2005 appropriations acts provided specific language that was a great help in implementing the grant program. Language included in the Senate-passed version of the FY 2006 Energy & Water Appropriations bill would enable Reclamation to continue effective implementation of the grant program in the future.

I am advised that specific authorization for grants and cooperative agreements through Reclamation for Water 2025 is necessary. The House has been highly supportive of Water 2025 the last several years-not just in the final appropriations bill, but in the House-passed versions of the FY 2004 and FY 2005 Appropriations. In the FY 2006 House-passed version of Energy & Water, the House expressed its continued support for Water 2025, but provided no funding-citing the lack of a permanent authorization. In response, the Administration sent a Statement of Administration Position to the House expressing its support for continued funding and authorization for the Water 2025 program. The Senate-passed version of the FY 2006 Energy & Water Appropriations bill provides \$20 million for the program.

Question 17. If you do believe Congressional authorization is needed, will you work with us to accomplish that?

Answer. Yes, I will work with you on securing permanent authority.

TITLE XVI RECYCLING AND REUSE

Question 18. Every year, Congress supports the authorization of new Title XVI recycling and reuse projects, despite the Administration's stated objections to the program. Last Congress, Commissioner Keys appeared before this Committee and testified that the program has a 15-year funding backlog.

As a result, Senate staff has been working with their counterparts in the House to address the Title XVI program. It is our hope to introduce legislation this Congress to reform the program.

What is your position on reforming or revamping the Title XVI program?

Answer. I believe that the Title XVI Program has successfully demonstrated that water reclamation and reuse can help increase both the availability and reliability of local water supplies in the Western states. Water treatment technology such as desalination is an effective way to support water recycling and reuse in the West. I would be happy to work with Congress on the Title XVI Program, while not diminishing Reclamation's core mission of meeting its contractual commitments of delivering water and power to Reclamation customers.

Question 19. What is the appropriate role for the Bureau in M&I water supply?

Answer. Reclamation's appropriate role in M&I water supply is first, to meet the explicit M&I components of individual Acts of Congress authorizing Reclamation

projects and, second, to manage water storage and delivery in large basins such as the Colorado River in a manner consistent with State water law, multi-State agreements, and other legal obligations where ultimate water users are sometimes municipal and industrial.

Question 20. Will you commit to work with Staff as we explore options on Title XVI?

Answer. Yes.

MIDDLE RIO GRANDE ESA COLLABORATIVE PROGRAM

Question 21. Several years ago, I established the Middle Rio Grande Endangered Species Collaborative Program to help protect the Southwestern Willow Flycatcher and Rio Grande Silvery Minnow. I have been working with BOR and numerous other stakeholders to develop legislation that would articulate roles for both the Corps of Engineers and BOR.

Despite good run-off this year, water in storage in the Rio Grande Basin is still far below capacity. Meeting the Biological Opinion requires providing water to meet minimum flow requirements.

Do you feel comfortable with the role given to the Bureau of Reclamation in the proposed legislation to provide water to meet the Biological Opinion flow requirements?

Answer. While I realize legislation may not yet be in its final form, I am confident that Reclamation and I will be able to work with your Committee and the Congress to develop a program that will succeed in meeting ESA requirements under the Biological Opinion. We look forward to the opportunity to cooperate with the U.S. Army Corps of Engineers and other agencies in continuing the Collaborative Program and Reclamation's active participation in Program activities, including providing water to meet Biological Opinion flow requirements.

Question 22. Where does the BOR anticipate it will get water from in future drought years in order to meet regulatory requirements?

Answer. We anticipate acquiring water from multiple short-and long-term sources to meet the flow requirements in the Biological Opinion. We will continue to enter into short-term water leases with willing San Juan-Chama Project contractors to provide water to benefit endangered species. To meet long-term needs, we will work with the State of New Mexico and others to evaluate potential sources of water, develop a long-term water acquisition plan, and implement it. Water banking and other potential sources would be considered.

MINNOW SANCTUARIES

Question 23. The Reasonable and Prudent Alternatives specified in the 2003 Fish and Wildlife Service's Biological Opinion on the Rio Grande Silvery Minnow required the construction of two minnow refugia. In order to comply with this mandate, I have been working with the BOR Albuquerque Area Office to construct a minnow sanctuary.

What is the status of the pre-construction activities underway?

Answer. Design and environmental compliance activities are continuing on schedule. We will be ready to begin construction in October 2005.

Question 24. How long will it take to begin construction and ultimately complete the project?

Answer. Contingent on FY 2006 appropriations, we are prepared to begin construction in October 2005. Construction should be completed in the summer of 2006.

Question 25. Do I have your assurance that you will make construction of the refugia a priority?

Answer. Yes.

MIDDLE RIO GRANDE PUEBLO WATER DELIVERY AND INFRASTRUCTURE

Question 26. Pursuant to a 1982 agreement, the BOR is responsible for delivering water to meet "prior and paramount" rights of the 6 Middle Rio Grande Pueblos. The BIA was also given authority to ensure that these obligations were met. The six Pueblos rely upon the delivery of the water they hold rights to for the irrigation of over 8,000 acres of land. The Pueblos question if the BOR is delivering water consistent with the 1982 agreement and if the BIA is fulfilling its trust responsibility.

Furthermore, the Pueblos rely on the BOR for irrigation infrastructure which has fallen into a state of disrepair and needs to be upgraded.

How does your department plan to resolve the conflict that has arisen between the BIA, BOR and Pueblos?

Answer. The Department has formed a team of engineers from Reclamation, BIA, and USGS, who are working with the Pueblos regarding some of the calculations

and interpretation of the 1981 agreement. Although BIA is the agency responsible for supporting infrastructure on the Pueblo lands, Reclamation has provided and will continue to provide technical assistance to the Pueblos in supporting their infrastructure. It is my intention to ensure that these complimentary roles continue to be honored within the Department.

Question 27. How does the BOR plan to upgrade and maintain the Pueblo water delivery infrastructure? Is funding available for these purposes through Water 2025 or other grants? How do you plan to meet these trust responsibilities?

Answer. There are two types of facilities on Pueblo lands: Middle Rio Grande Project facilities that deliver water to a Pueblo as a whole and those facilities which are specifically tribal that deliver water to individual farms. While Reclamation has no authority to rehabilitate Pueblo ditches, Reclamation, through such programs as Water 2025, can work on Reclamation Projects that lie on Pueblo lands. BIA has responsibility and authority to work on non-Reclamation Project systems on Pueblo lands. Portions of the six Middle Rio Grande Pueblos irrigation infrastructure fall within the boundaries of the Middle Rio Grande Project and can be served by Reclamation. The Middle Rio Grande Conservancy District has received about \$3 million under Water 2025 for water conservation and infrastructure improvements. This funding can be used throughout the District, including those portions of the six Middle Rio Grande Pueblos facilities within the Middle Rio Grande Project. Reclamation has funded a variety of small infrastructure improvement projects for Pueblos in New Mexico through its Native American Program. This Program does not have the authority to cover significant rehabilitation projects of Pueblo facilities. If confirmed, I will ask Reclamation to continue to examine authorities and funding availability to upgrade Pueblo facilities.

ANIMAS-LA PLATA PROJECT

Question 28. The Animas-La Plata project will provide water to communities of Northwestern New Mexico and Colorado and settles the water rights claims of the Ute Mountain and Southern Ute tribes. Despite past claims of mismanagement and poor planning and oversight, the A-LP project is now proceeding at an acceptable rate.

What precautions are being taken to ensure that there are not further cost overruns with the project?

Answer. The ALP Construction Office is responsible for all matters pertaining to the construction of the project. This office is managed by a Project Construction Engineer who reports directly to the Regional Director of the Upper Colorado Region in Salt Lake City, Utah. The construction office continually evaluates ways to reduce costs while maintaining the project features. Cost tracking procedures implemented in 2004 now relate all project costs to the construction cost estimate (indexed for inflation) for early detection of problems. This cost information is shared with the Project Sponsors on a monthly basis. Finally, we have refined and streamlined reporting within Reclamation for the ALP.

Question 29. Will project be completed on budget even with increased construction costs?

Answer. Reclamation believes the project can be completed within the 2003 construction cost estimate (indexed for inflation) and is working diligently to make that happen. The recent increases seen nationally in the construction industry for fuel, cement, and steel have been felt at ALP. However, most of the large contracts have now been awarded and are fixed price contracts. Currently the project is nearly 25% complete and is on track within the indexed construction cost estimate.

Question 30. How is the BOR addressing recent environmental challenges?

Answer. Funding for the completion of the cultural and environmental mitigation features of the project has been given a high priority within the ALP project budget. Although construction of project facilities has been faced with many environmental challenges, ranging from controlling extreme flood events to protection of nesting golden eagles, these challenges have been resolved in a timely fashion. All environmental compliance and mitigation obligations are currently either being met or are on schedule to be completed concurrent with project facility construction.

TULAROSA

Question 31. Recent drought and population growth in the western U.S. requires that we make more efficient use of water and develop technologies to make use of previously impaired or unusable water. During the 1960's, the federal government funded extensive research in water technology which resulted new technologies such as reverse osmosis.

I believe that the federal government should renew its investment in water treatment technology. Toward this end, I have funded construction of a Tularosa Basin Desalination Research and Development center in New Mexico. Also, I have funded the development of new technologies through the Energy and Water Development Appropriations Bill.

How is construction of the Tularosa facility proceeding?

Answer. Construction of Tularosa is moving forward with Schedule 4 of the contract to be awarded in early August. Schedule 4 covers the construction and equipping of the central research facility, a 16,000 square foot building. The project is on track for completion in FY 2006. Reclamation is currently developing a strategic plan which will be the basis for operating the research facility. Using this plan, we will competitively select a vendor to operate and maintain the facility under the direction of Reclamation. Also, the Office of Naval Research's Expeditionary Unit Water Purification (EUWP) system is currently being tested at the site by teams of Reclamation operators.

THE CALFED PROGRAM

Question 32. Last year, Congress enacted the long-awaited authorization for the CALFED program. Part of the urgency was because without federal authorization, the state-created CALFED Authority would dissolve. However, problems with state funding have led to speculation that California will abandon the program.

What is the status of California's participation in the CALFED program?

Answer. The State of California continues to be an active partner in the CALFED program. The recently passed 2005-2006 State budget includes \$145 million for CALFED related activities. At the request of the Governor, the program is currently in the process of an internal review. This review will look at expenditures to date, future budget requirements, project prioritization, and provide an evaluation of the existing CALFED program structure. The purpose of the internal review is to assess the effectiveness of the program to date, identify potential areas of improvement, and set the course for efficient program implementation of the highest priority actions. Although future funding for the program is a serious challenge, the likely increase in Federal funds for the program combined with new sources of revenue being pursued by the State should be sufficient to make considerable progress toward the implementation of the highest priority actions.

Question 33. What is the status of the federal implementation of the CALFED program?

Answer. The federal implementation of the activities outlined in the CALFED Record of Decision continues to be a high priority. The recently enacted legislation reauthorizing federal participation in the CALFED program provides a framework for federal implementation of the ROD and also requires that several reports be submitted to Congress on various aspects of the program. The federal agencies are committed to working with the State to follow this framework and to provide Congress the reports called for in the legislation. Specific priority activities include pelagic fish studies and habitat restoration projects to address the ecosystem in the Delta, ongoing water storage feasibility studies and the South Delta Improvement Plan to address critical water supply needs dependent on the Delta, aggressive drainage management measures to improve the quality of water that flows into the Delta, and a levee risk assessment initiated to identify the most critical areas in need repair to ensure the Delta is protected from serious flood damage.

DROUGHT

Question 34. The Southwestern United States has been experiencing drought conditions since 2000. the Pacific Northwest is also experience significant water supply shortages.

What is the status of the Department of the Interior's efforts to develop a voluntary protocol among the Colorado River basin states to deal with water shortages?

Answer. Reclamation published a Federal Register notice on June 15, 2005 soliciting comments from the public on the development of operational and management strategies for Lake Powell and Lake Mead. Two public discussion meetings are scheduled for late July. It is the Department's intent to have operational guidelines for Reclamation to apply in its annual operations by December 2007.

Representatives from the seven Colorado River Basin States have been meeting regularly since March 2004 with the goal of developing consensus recommendations on the operation of the Colorado River reservoirs under drought and low reservoir conditions. At the request of the States, the Department and Reclamation have been participating in some of these meetings. Reclamation has been providing technical support to the States, performing river simulation modeling to analyze the various

operating strategies developed by the States. Given recent discussions, the Department remains hopeful that the Basin States will advance a consensus recommendation within the next few months.

Question 35. What is the extent of the Bureau's involvement in on the Columbia and Snake Rivers and how, if at all, will that be impacted by Judge Redden's recent decision to allow more spills and higher flows this summer?

Answer. Reclamation operates 31 projects in the Columbia River Basin with over 40 dams. Two Reclamation dams with power generation capacity, Grand Coulee Dam on the mainstem Columbia River in Washington State, and Hungry Horse Dam on the South Fork Flathead River in western Montana, were included with 12 U.S. Army Corps of Engineers' (USACE) dams in the consultation resulting in the 2004 NOAA Fisheries Biological Opinion on the Federal Columbia River Power System (FCRPS). Other Reclamation projects were consulted on separately, either in the Upper Snake River Biological Opinion (11 projects and over 20 dams) or in other individual Biological Opinions.

Environmental plaintiffs requested a Preliminary Injunction (PI) wherein the USACE and Reclamation would increase both spill and flows in the lower Columbia and Snake Rivers. Judge Redden granted the plaintiffs' request for increased summer spill for juvenile fish passage at five USACE projects in the lower Snake and Columbia Rivers. This decision does not directly affect the operation of any Reclamation project in the Basin. Judge Redden denied the plaintiffs' requests to require more flow in the river which could have impacted operations at Reclamation's Grand Coulee, Hungry Horse, and Upper Snake River Projects.

RESPONSES OF MARK LIMBAUGH TO QUESTIONS FROM SENATOR BINGAMAN

Question 36a. This committee has been working for some time on developing a national energy policy-where we hope to commit significant resources to address our future energy supply challenges. I think we also need a comprehensive strategy to address our future water supply challenges. Both USGS and Reclamation have important roles to play in this effort. I was therefore disappointed with the President's 2006 budget request which calls for a 6.7% cut in Reclamation's budget and a 3.3% cut in USGS's water program.

What do you think should be the focus of the federal government's strategy to help our nation meet its future water supply challenges?

Answer. I believe the Federal government should focus on practical, proactive means of providing certainty for water users in the West through consultation, collaboration, and communication for the benefit of water conservation. This must occur between the Federal government and the States, Tribes, local communities, and water users, as well as among the Federal agencies. Current examples of this focus include Reclamation's efforts to help the Colorado river Basin States, including New Mexico, develop criteria to be used in preparing for future shortages in the Basin, as well as the Upper Colorado and San Juan endangered species recovery programs and the Multi-species Conservation Program, both partnerships among federal agencies, the States, the public, and water users, committing resources and ingenuity in meeting Endangered Species Act requirements while providing certainty to water users that their current and future needs can be met. Federal strategies should also include a focus on preparing our aging Federal water infrastructure for 21st Century challenges, and facilitating the use of new technologies to improve the management, conservation, and supply of water for the emerging needs of a healthy environment and a growing Western economy. I am proud that this has become Reclamation's focus during the past four years and I look forward to learning more about how the Geological Survey embraces this same focus.

Question 36b. Will you be an advocate within the Administration to supply the funding needed to implement that strategy?

Answer. Yes, while working closely with my Administration colleagues.

Question 37a. One area critical to New Mexico's ability to effectively manage its water resources is the resolution of Indian water rights claims. As you are probably aware, we have 3 separate negotiations that could result in settlements in the near future. If these negotiations are to be successful, the federal government will need to invest large sums of money. Although we hope to spread this investment over a number of years, both BIA and Reclamation's budget would be affected.

Do you believe that the best way to address the issue of Indian water rights claims is through negotiated settlements or should they simply be litigated?

Answer. I believe the Department of the Interior's long-standing policy of favoring negotiated settlement when possible over litigation is a sound policy.

Question 37b. Are you committed to working with myself and Senator Domenici to actively work on finalizing settlements and to try and find ways to fund them?

Answer. Yes.

Question 38a. I believe that the Title XVI water reuse and reclamation program can provide important water resources for the water-short West. In response to questions that we submitted on the President's Budget for Fiscal Year 2006, the Department responded that the program had met its primary mission.

What do you see as the future for this program?

Answer. I would like to see the Title XVI program focus its efforts on research and development of improved water treatment technology, particularly desalination.

Question 38b. Will you support making this program a budget priority?

Answer. I believe that the Title XVI Program has successfully demonstrated that water reclamation and reuse can help increase both the availability and reliability of local water supplies in the Western states. Water treatment technology such as desalination is an effective way to support water recycling and reuse in the West. I would be happy to work with Congress on the Title XVI Program, while not diminishing Reclamation's core mission of meeting its contractual commitments of delivering water and power to Reclamation customers.

Question 39. Many parts of the West have been experiencing a record drought. The Bureau of Reclamation currently has authority to undertake drought relief measures pursuant to the Reclamation States Emergency Drought Relief Act of 1991. I understand that this authority allows temporary emergency construction assistance and planning activities.

Would additional drought response authority be useful? If so, would you work with us on that issue?

Answer. I believe the Reclamation States Emergency Drought Relief Act of 1991 provides sufficient authority to address temporary construction, emergency water management, and drought planning activities. I stand ready to work with the Committee to reauthorize this statute.

Question 40. What initiatives do you expect to undertake as Assistant Secretary for Water and Science?

Answer. As I stated in my statement to the Committee during my confirmation hearing, the Secretary launched her Water 2025 initiative a couple of years ago. If confirmed, I am committed to continuing the implementation of Water 2025 during my tenure as Assistant Secretary. Preventing conflict and crises over water in the West, especially in areas where we can logically predict such problems in advance, is a high priority for this Administration. Promoting the use of existing tools, such as conservation and efficiency, water markets, and new technology, can alleviate the pressures of conflicting and competing uses for finite water supplies. Along these same lines, I am very interested in preparing our existing Federal water infrastructure for the challenges of the future in a manner that protects the Federal investment, while recognizing Federal budget constraints as well as the financial health of project beneficiaries. We must find new, innovative ways to finance the rehabilitation and modernization of our aging water facilities in order to deal with emerging needs for water in the West while not jeopardizing traditional water users in the process. Our existing water storage and delivery infrastructure is the foundation for the future of the West, and we must operate and maintain these facilities in a cost-effective manner. Finally, I intend to focus on ensuring the Bureau of Reclamation is prepared to meet these future challenges by reviewing, both externally and internally, the agency's management structure. I believe the West and the Nation are best served by a focused, efficient, and fiscally transparent Bureau of Reclamation that can provide cost effective, value added products and services. With respect to the United States Geological Survey (USGS), I look forward to continuing the critical mission of this agency to provide reliable scientific information to describe and understand the Earth; minimize loss of life and property from natural disasters; manage water, biological, energy, and mineral resources; and enhance and protect our quality of life. If confirmed, I will work with the USGS in completing its current reorganization efforts in order to ensure our Nation continues to receive the timely, relevant and impartial science that this country has come to depend on and trust. I look forward to working with you and the Committee in these efforts.

Question 41. What actions will you take to carry out Interior's trust responsibilities to Indian tribes?

Answer. The United States government has a unique legal relationship with federally recognized American Indian Tribes. This trust responsibility emanates from treaties, statutes, judicial decisions and agreements with tribal governments. I intend for my office and the agencies that report to me to do our part to protect and honor the rights reserved or granted to Indian Tribes or Indian individuals. If I am confirmed, I assure you that I will continue to work with and consult with tribal members and leaders to resolve issues which fall within the jurisdiction of the office of the Assistant Secretary for Water and Science. Specifically, I will ensure that

water rights negotiations are handled with the utmost respect for all parties involved.

Question 42a. There have been a number of concerns raised by entities participating in the Middle Rio Grande ESA Collaborative Program about the inefficient process by which the Bureau of Reclamation enters into contracts or cooperative agreements to expend money in support of the program.

Can you describe the contracting process in detail?

Answer. Reclamation uses a negotiated procurement process to award funding for Collaborative Program projects. This contracting process can result in a contract, grant, cooperative agreement, interagency agreement, or Indian Self Determination Act (P.L. 93-638) contract. Reclamation's process for similar projects takes five months from advertising the Request for Proposals to award. The process with the Collaborative Program currently takes 10 to 11 months because of the need to work with the stakeholders and reach consensus on which proposals are to be funded.

The following steps are included in the contracting process:

1. Development of statement of work by the Collaborative Program.
2. Prepare solicitation documents and have them reviewed by the Collaborative Program.
3. Electronically advertise the Request for Proposals via e-Government web site.
4. Accept proposals and review them to ensure all mandatory information is included.
5. Technical evaluation of the proposals by the Collaborative Program.
6. Cost evaluation of the proposals by the Reclamation cost analyst and the Collaborative Program.
7. Preparation of additional technical and cost-related questions for the proposers.
8. Accept answers and final proposals and have them reviewed by Reclamation and the Collaborative Program.
9. Reclamation holds negotiations with proposers.
10. Collaborative Program makes funding recommendations to Reclamation.
11. Reclamation prepares award instruments for legal review.
12. Award instruments are accepted by Grantee and Reclamation.

Question 42b. Can the process be improved, and if so, is there any ongoing effort underway within Reclamation to implement those improvements?

Answer. We are currently identifying major issues and formulating possible solutions. The goal is to identify a process which will be more efficient and effective, resulting in improved program performance.

It is essential that the Collaborative Program provide the technical expertise to identify intended accomplishments, prioritize activities, and propose the best methodology to achieve their objectives. Reclamation must administer the contracting processes in accordance with federal regulations; however, we believe the contracting process for the Middle Rio Grande Collaborative Program can be streamlined and improved. Such improvements should help focus on results for the program rather than on administrative processes.

Question 43a. I have a bill (S. 214) entitled the "United States-Mexico Transboundary Aquifer Assessment Act", which is intended to develop a strong scientific understanding of groundwater resources shared between the U.S. and Mexico. The bill would help inform water management decisions at the state and local level and help avoid conflicts between the United States and Mexico. The bill has strong bipartisan support and will hopefully be enacted into law in the 109th Congress.

Do you agree that conflicts over water might be avoided by developing a better understanding of the resource involved?

Answer. Yes. It is crucial to understand the resources involved in order to resolve conflicts among competing interests.

Question 43b. Will you support the initiative that would be put in place by S. 214?

Answer. If enacted, I would support the underlying initiative. It is my understanding that Interior could support this effort if it were closely coordinated with and supported by the States of New Mexico, Texas, Arizona, and California.

Question 44. There is a need for improving the efficiency of water conveyance infrastructure in the Middle Rio Grande to promote the conservation of water and to help address issues involving competing demands for water? One area that seems to have received little attention is improving the efficiency of infrastructure for the benefit of the six Middle Rio Grande pueblos.

Is there any ongoing efforts to assist the Pueblos with efficiency improvements? If not, would you support such efforts?

Answer. Over the last two years, the Middle Rio Grande Conservancy District has received about \$3 million under the Water 2025 program for water conservation and

infrastructure improvements. This funding can be used throughout the District, including those portions of the six Middle Rio Grande Pueblos facilities within the Middle Rio Grande Project. Reclamation has funded a variety of small infrastructure improvement projects for Pueblos in New Mexico through its Native American Program. However, this Program does not have the authority to cover major rehabilitation projects on Pueblo facilities. I will ask Reclamation to continue to examine authorities and funding availability to upgrade Pueblo facilities.

RESPONSES OF MARK LIMBAUGH TO QUESTIONS FROM SENATOR SMITH

Question 45a. The Bureau of Reclamation markets irrigation water from the Fern Ridge Reservoir, which is an Army Corps of Engineers facility. The dam is undergoing major repairs this year, because it was in imminent danger of catastrophic failure. I am working to ensure that the irrigators are not forced to pay a disproportionate share of these repairs, and are not faced with huge increases in their water rates in the future. There is legislative language on pp. 65-66 of the Senate-passed Energy and Water Development Appropriations bill (H.R. 2419, with strikeouts, Report No. 109-84) to ensure that the repayment obligations and financial exposure of the irrigators who get their water from this facility is limited.

Can you provide me with the Department's assessment of the repayment obligations of the irrigators as a result of this language? For example, will they be responsible for 15 percent of the total cost of the repairs, or for 15 percent of that percentage of project benefits that is allocated to irrigation?

Answer. The legislative language in question provides:

Sec. 124. The Chief of Engineers shall define the repairs made at Fern Ridge Dam as a dam safety project and costs shall be recovered in accordance with Section 1203 of the Water Resources Development Act of 1986: Provided, That costs assigned to irrigation will be recovered in accordance with Public Law 98-404.

It is our understanding that the U.S. Army Corps of Engineers (USACE) has allocated 46% of the cost of Fern Ridge Dam to irrigation. Therefore, the legislative language will result in the irrigators being responsible for repayment of 46% of 15% of the total cost of the dam safety work on Fern Ridge Dam.

Question 45b. What is the repayment period?

Answer. Safety of dams repair costs on USACE facilities allocated to irrigation are repaid in accordance with the Reclamation Safety of Dams Act Amendments of 1984 (P.L. 98-404). While Section 2(c)(2) provides a maximum repayment period of 50 years for safety of dams costs by irrigators, the actual period may be shorter. The repayment period for the repairs of Fern Ridge will be determined following further review of a number of financial factors by Reclamation.

Question 45c. What is the estimated total financial obligation of the irrigators under this legislative language?

Answer. We understand that the USACE has estimated the repair cost to be \$22,300,000. Pursuant to the proposed legislation, 15% of this cost, or \$3,345,000, would be allocated to the authorized purposes of the dam in accordance with the existing cost allocation. Accordingly, 46% of this amount, or \$1,538,700, would be allocated to the irrigation purpose for reimbursement. Using the historic practice agreed upon between Reclamation and the USACE for assigning and recovering construction and operation and maintenance costs for the water marketing program for the Willamette Basin Project, the impact of the proposed legislation would be a one-time \$1.00 per acre-foot surcharge to the contract rate, which is presently \$8.00 per acre-foot. The Reclamation Safety of Dams Act Amendments of 1984 (P.L. 98-404) provides for a repayment period of up to 50 years in consideration of the irrigators' ability-to-pay. In consideration of prior analyses of ability-to-pay completed for irrigators in other areas of Oregon, we believe the estimated \$1.00 per acre-foot surcharge would be within the irrigators' ability to pay.

Absent the legislation, 44.9% of the repair costs, or \$10,012,700, under the USACE O&M program would be allocable to irrigation and a one-time \$6.29 per acre-foot surcharge to the contract rate would be required.

Due to the significant amount of uncontracted storage, approximately 97% in the Willamette Basin Project, reimbursement of a majority of the repair costs allocable under either the Safety of Dams or O&M programs would be deferred until such time as the water may be contracted.

The USACE may have additional perspectives on Fern Ridge Dam.

Question 46. The Grants Pass Irrigation District is facing court imposed deadlines as a result of the consent decree it entered into, to which the Justice Department also agreed. What is Reclamation's timeline for completion of the pump station to

replace Savage Rapids Dam? What is Reclamation's current estimate of the funds that will be needed in each of the fiscal years to complete this project in a timely manner?

Answer. Reclamation is completing final design of the pumping plant and currently anticipates that construction of the pumping plant could begin in June 2006 and be completed in April 2008, with dam removal activities completed 2009. However, this is an ambitious schedule and any delays could postpone project completion up to one year given the limited in-water work period. Partial removal of the dam will start following completion of the pumping plant.

Cost estimates are being refined through the final design process. Reclamation currently estimates that completion of the project on this ambitious schedule would require the following funding:

[\$ millions]

Thru FY 05	FY 06 ¹	FY 07	FY 08	FY 09	FY 10	TEC ²
2.3	2.0	13.0	10.7	1.5	0.5	30.0

¹The President's Request in FY2006 is \$1.0 million, which was the estimated maximum capability at the time. Current information now estimates Reclamation capability at \$2.0 million.

²Includes 3.0 million in non-federal cost share.

The current total estimated cost (TEC) for Savage Rapids Dam Removal is approximately \$30 million (October 2004 dollars). The State of Oregon has committed \$3 million towards dam removal leaving the Federal share of the Project at about \$27 million.

Question 47. Please provide me with a list and the status of any studies being conducted by the U.S. Geological Survey pertaining to the Klamath River Basin.

Answer.

1. *Source and Dynamics of Internal Phosphorus Loading in Upper Klamath Lake*—This new project is focused on understanding internal loading of phosphorous from bottom sediments in Upper Klamath Lake. Understanding the sources of sediment phosphorous contributing to internal loading will inform decision makers on how best to target lake and watershed restoration activities and provide realistic expectations for lake recovery. The 2-year project is in the data collection phase this summer. USGS Oregon Water Science Center.

2. *Water-Supply Forecast Improvement Efforts*—This project, in collaboration with the U.S. Department of Agriculture/Natural Resources Conservation Service, is designed to explore new techniques and new types of data to help improve water-supply forecasts in the Klamath Basin. The efforts were met with some success, and a final report is in preparation for completion by September 2005. USGS Oregon Water Science Center.

3. *Water Bank Review*—This review evaluated the Upper Klamath Basin water bank from a hydrologic perspective. The review document was completed in May 2005. USGS Oregon Water Science Center.

4. *Klamath Basin Rangeland Trust (KBRT) Review*—The Science Center reviews monitoring plans and reports each year. The 2004 KBRT monitoring plan review was completed in April 2005. USGS Oregon Water Science Center.

5. *Klamath Project Diversion and Return Review*—This effort focuses on evaluating historic data and data collection methods for the Bureau of Reclamation Klamath Project relative to major inflows and outflows. This review will be completed by September 2005. USGS Oregon Water Science Center.

6. *Review of Refuge Water Use*—The Bureau of Reclamation currently obtains water-use data for refuges in the Klamath Project from USFWS. USGS was asked to review the data. This review will be completed by September 2005. USGS Oregon Water Science Center.

7. *Review of Temperature Models Developed for the Klamath River System*—This effort involves the review of different water-temperature models that have been developed for the Klamath River. The review will be completed in early FY 2006. USGS Oregon Water Science Center.

8. *Monitoring of Water Quality in Upper Klamath Lake*—Implemented this year, the objective of this long-term monitoring program is to provide researchers and decision makers information needed to support the goals of the Clean Water and Endangered Species Acts. This program will continue advancing the understanding of Upper Klamath Lake ecosystem functions. The program is ongoing. USGS Oregon Water Science Center.

9. *Development of a Hydrodynamic and Water Quality Model of Upper Klamath Lake*—This project will improve our understanding of wind-driven water circulation

in Upper Klamath Lake and will evaluate the extent to which wind conditions determine the varying dissolved oxygen concentrations in the lake. The project is in its first year. USGS Oregon Water Science Center.

10. *Adaptive Management of Wood River Wetland for Optimized Water Quality, Water Yield, and Wildlife Habitat, Upper Klamath Basin*—This study was designed to establish baseline conditions and evaluate the effects of various management scenarios on water quantity, water quality, and wetland habitat. This 4-year study is expected to be completed in FY 2006. USGS Oregon Water Science Center.

11. *Channel processes and morphology, Sprague River*—This new project will provide basic information on how the river channel, floodplain, and related water features operate and on changes in these features over the last 100 years or more. It also will identify key features and sites for restoration of habitat and geomorphological and hydrological processes. This information will aid in determining critical locations and processes for which restoration activities may have substantial beneficial effects. The project will last 3 years. USGS Oregon Water Science Center.

12. *Upper Klamath Basin Ground-Water Investigation*—This project is designed to develop a quantitative understanding of ground water in the upper Klamath Basin and a ground-water flow model that can be used to guide water management. This 7-year project is nearing completion with the computer model in development. USGS Oregon Water Science Center.

13. *Upper Klamath Basin Conjunctive-Use Optimization*—This project is designed to take the ground-water flow model for the basin currently in development and couple it with an optimization model. This information will enable decision makers to optimize ground-water use. The project is in the early stages and scheduled for completion in 2007. USGS Oregon Water Science Center.

14. *Upper Klamath Basin Ground-Water Monitoring*—Through this project, USGS is leading efforts to monitor the response of the ground-water system to increased pumping that has occurred since 2001, and help decision makers adaptively manage the resource in the short term. The USGS Oregon Water Science Center coordinates efforts of several state and federal agencies. This monitoring is ongoing.

15. The Oregon Water Science Center also operates 9 streamgages in the Klamath Basin. That work is ongoing and includes the 3 gages that are used to determine average lake elevation for Upper Klamath Lake. Lake elevation and Klamath River flow data are critical for management of water in the basin each year, and specifically for meeting biological opinion elevations and flows.

16. *Klamath River Young-of-the-Year Fish*—This project is providing assessments of juvenile fishes for management of imperiled fishes in the Klamath River. The study was begun in 2005 and will continue in 2006. USGS Fort Collins Science Center.

17. *Wood River Tributary Water Quality Study*—This project provides water quality monitoring support in a tributary of the Klamath River that influences water quality and water quantity in the Klamath River. The study was begun in 2005 and will continue in 2006. USGS Fort Collins Science Center.

18. *Federal Energy Regulatory Commission Re-licensing Analysis*—This project is conducting simulations of different water management alternatives that have been developed by a multi-agency group for re-licensing of three hydropower facilities on the Klamath River. Results will provide water managers with information to balance water availability issues for multiple uses in the basin, including hydropower, irrigation, and fishery resources. The study was begun in 2005 and will continue in 2006. USGS Fort Collins Science Center.

19. *System Impact Assessment Model (SIAM) for Iron Gate Dam Operations*—USGS will adapt the SIAM model to predict reservoir release water quality and identify potential effects on Chinook production in the Klamath River. The study was begun in 2005 and will continue in 2006. USGS Fort Collins Science Center.

20. *Fish Population Assessments—Mark/Recapture Protocols*—Statisticians will use ten years of mark/recapture data from the adult sucker monitoring program to develop population models for the synthesis of biological and physical data including hydrologic information. The study was begun in 2005 and will continue in 2006. USGS Patuxent Wildlife Research Center.

21. *Bioenergetics*—This project will develop bioenergetic models for adult shortnose and Lost River suckers to predict size, condition, and survival of fish under different summer conditions. Optimal growing conditions can be characterized with these types of physical and biological models, considering variable diet, ration, temperature, and environmental conditions. The study was begun in 2005 and will continue in 2006. USGS Columbia Environmental Research Center.

22. *Population Dynamics Models*—This project will determine the distribution and general movement patterns of adult Lost River suckers and shortnose suckers in

Upper Klamath Lake to determine specific sucker locations and their association with water depth and selected water quality variables. The study was begun in 2005 and will continue in 2006. USGS Western Fisheries Research Center.

23. *Fish Health and Disease of Klamath Basin Native Fish*—This project will determine the effects of chronic exposure to selected water quality parameters under typical summer conditions. Effects on non-specific immune function and normal blood chemistry in adult Lost River and shortnose suckers are analyzed in relation to periodic fish kills in the Klamath Basin. The study was begun in 2005 and will continue in 2006. USGS Western Fisheries Research Center.

24. *Continued and Enhanced Monitoring of Adult Suckers in Upper Klamath Lake*—This monitoring program provides information on the current status of adult sucker populations with respect to size and species composition, age and growth, fecundity, and relative health, and allows for the estimation of key population parameters such as survival, recruitment, and finite rate of population change by analyzing mark-recapture data. The study began in 1995 and is ongoing. USGS Klamath Falls Field Station.

25. *Distribution and Spawning Habitat Use by Adult Suckers and Production of Larval Suckers above Chiloquin Dam on the Sprague River*—This project will provide information that will help guide proposed restoration activities in the Upper Klamath Basin by identifying the importance of providing adequate spawning and rearing habitat in the Upper Sprague River. With the proposed removal of Chiloquin Dam on the Sprague River, the study is providing additional baseline information to help assess the effects of dam removal on sucker populations. The study began in 2004 and is ongoing. USGS Klamath Falls Field Station.

26. *Distribution and Abundance of Endangered Juvenile Suckers along Shoreline Habitats in Upper Klamath Lake, Oregon*—This project is providing information on the relative importance of habitat types available to juvenile suckers along shoreline areas to improve understanding of the importance of vegetation, different substrates, and other environmental factors for juvenile suckers. This study will provide information for decision makers with regard to lake-level and habitat management. The study began in 2002 and is ongoing. USGS Klamath Falls Field Station.

27. *Bioenergetic Requirements of Endangered Juvenile and Adult Lost River and Shortnose Suckers*—This project will determine how diet, weather, lake elevation, water quality, and other factors influence fish growth and survival at various life stages. Data from this study will fill a gap in our understanding of these species and provide decision makers with information on environmental and hydrologic conditions favorable to the growth and survival of these fish. The study began in 2005 and is ongoing. USGS Klamath Falls Field Station.

28. *Behavior of Adult Suckers in Upper Klamath Lake with respect to Water Quality*—This study will examine the role of “water quality refuge” areas in the survival of adult suckers in Upper Klamath Lake. This joint study involves intensive data collection of fish behavior and movements and water quality monitoring during the spring and summer months. These data are needed for determining the conditions leading to periodic fish kills that threaten the survival of two sucker species in Upper Klamath Lake. The study began in 2002 and is ongoing. USGS Western Fisheries Research Center, USGS Oregon Water Science Center, USGS Klamath Falls Field Station.

29. *Lower Klamath River Water Quality Investigation*—This study modeled streamflow temperature for Total Maximum Daily Load work being done by the North Coast Regional Water Quality Control Board. The report is currently in review. USGS California Water Science Center.

30. The California Water Science Center also operates 29 streamgages in the Klamath River Basin; 21 are used to monitor streamflow discharge, 3 are used to monitor lake or reservoir elevation or stage, 10 are used to monitor water chemistry, 11 are used to monitor water temperature, and 2 are used to monitor sediment. That work is ongoing.

Question 48. Please describe the data collection and research activities related to anadromous fish of the USGS Western Fisheries Research Center, particularly Columbia River Research Laboratory. How are these activities coordinated with other federal, state, and tribal agencies with fisheries responsibilities in the basin?

Answer. The U.S. Geological Survey Western Fisheries Research Center has two major research facilities in the Pacific Northwest with science activities in Puget Sound and the Columbia River Basin. The anadromous fish research of the Center is conducted for the Department of the Interior and other Federal agencies at the Columbia River Research Laboratory (CRRL), with up to 50 major anadromous fish research projects ongoing in the Columbia River Basin. These projects address the science priorities of the major fishery and water managers in the region. Anadromous species research focuses on data collection, behavior, and survival of salmon

and steelhead at dams; fish physiology and condition (e.g., gas bubble disease); predation and competition (e.g., bioenergetics modeling); water quality effects on habitats and fish; population dynamics (growth, survival, and recruitment); evaluation of habitat restorations; thermal stress on fishes; effects of invasive species; and effects of long-term changes in environmental quality.

The CRRL is renowned for its expertise in biotelemetry and research on fish passage at hydropower dams on the Columbia and Snake Rivers. The CRRL's geospatial group is developing novel decision support systems to analyze spatial patterns of habitat use by anadromous fishes, especially juvenile salmon, and their responses to varying flows and other variable habitat conditions. The CRRL coordinates with and is funded by the U.S. Army Corps of Engineers (USACE), the Department of Energy, the states of Washington and Oregon, and Columbia Basin tribes including the Yakama, Umatilla, Warm Springs, and Kootenai.

The U.S. Geological Survey Western Fisheries Research Center science addresses fish health, fish ecology, and aquatic ecosystems of anadromous fishes, such as Pacific salmon and steelhead, bull trout and cutthroat trout, and Pacific lampreys and white sturgeon, in watershed and coastal habitats. Molecular biology and genetics studies focus on physiological conditions of anadromous species and hatchery-wild salmon interactions, with particular attention to threatened and endangered salmonids or other anadromous species of special concern to DOI and other fishery managers. Disease ecology studies are focused on the major viral and bacterial diseases of hatchery-reared salmon and, in the wild, increasingly on forage fish upon which they feed and that may be potential disease vectors. Other work is focused on age and growth of juvenile salmon and their residence in key aquatic habitats (e.g., rivers, estuaries, and nearshore marine environments).

USGS anadromous fish research is coordinated with other federal agencies nationally, including Bonneville Power Administration, the USACE, the U.S. Fish and Wildlife Service, the Bureau of Reclamation, and the U.S. Forest Service. The CRRL research is coordinated with the Columbia River Intertribal Fisheries Commission; Pacific Northwest Planning Council (provides scientific review for the states to the Bonneville Power Administration); Technical Management Team (group of water and fisheries managers in the basin); Fish Passage Advisory Committee (working group responsible to Columbia Basin Fish and Wildlife Authority); USACE Studies Review Work Group for the Anadromous Fish Evaluation Program for Columbia River hydropower system; Fish Facility Design Review Work Group (working group of federal, state, and tribal authorities providing advice to USACE); and the Pacific Northwest Aquatic Monitoring Program.

RESPONSES OF MARK LIMBAUGH TO QUESTIONS FROM SENATOR SALAZAR

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Question 49a. The President's FY 06 budget called for \$52 million for this project—the same level as FY 04 and '05 spending. The Energy & Water Appropriations Bill, H.R. 2419, has passed the Senate and is headed to conference. The House provided \$56 million for this project, and the Senate provided \$60 million. This amount will fund continued construction of the project's major features, including Ridges Basin Dam and the Durango Pumping Plant. While physical construction of these two features began in FY 03, this level of funding is necessary to keep current contract commitments, which will keep the project on schedule.

Please provide me with an update on the status of the project, its expected completion date and about any problems or obstacles that the Department anticipates.

Answer. Reclamation is making substantial progress on the Project and it is on schedule and within the construction cost estimate, accounting for inflation. The entire project is nearly 25 percent complete. Prior to 2005, essentially four construction contracts had been completed out of a total of nine contracts awarded to date. This March, Reclamation awarded its largest contract for Ridges Basin Dam Completion, for \$84.9 million. Cultural resource and environmental mitigation are on schedule.

The expected completion date of physical features is 2011, with project closeout in 2012. This completion date is highly dependent upon funding levels and other risks which come with any large civil works project. These other risks are related to the potential for unknown site conditions, significant hydrologic events, surprises in the cultural resource mitigation work, land acquisition settlements, etc. We believe we are prepared for these; however, should significant issues arise, they could lead to delays.

Question 49b. Will the Administration support the Senate funding level (\$60 million) in conference?

Answer. The Administration appreciates the continued support the Congress has provided for this important effort. As you stated, the President's request is \$52 million, which is adequate to maintain the current schedule. If Congress provides \$60 million in the final action on the FY 2006 Energy and Water Development Appropriations, the funds could be used in FY 2006 for construction work underway on Ridges Basin Dam.

Question 49c. Will you assure me and the people of Colorado that you will make this project a priority in your role as Assistant Secretary for Water & Science?

Answer. Yes.

PLATTE RIVER RECOVERY PLAN

Question 50a. As you know, Colorado, Nebraska and Wyoming signed a cooperative agreement with DOI in 1997 to pursue a comprehensive basin-wide program to address habitat needs of endangered species in the Central and Lower Platte River basin. The program is designed to benefit the species by protecting and enhancing their habitat which, in turn, will obviate the need for ongoing ESA issues affecting hundreds of existing and planned federal and private irrigation, municipal water supply and power generation projects throughout the Platte River basin. The required NEPA and ESA reviews of the proposed program are scheduled to be completed by October 2005 and a Record of Decision (ROD) is expected by December 2005 or January 2006.

Please provide me with an update and status of these reviews and preparation of the ROD.

Answer. Reclamation, as co-lead with the U.S. Fish and Wildlife Service for preparation of the Environmental Impact Statement (EIS), is aiming to complete the EIS by the end of September of this year. This schedule would leave two months for completion of a final Biological Opinion by the Fish and Wildlife Service prior to a Secretarial Record of Decision in December, 2005.

Question 50b. Once again, the Senate has restored funding for this essential project in the Interior appropriations bill (\$982,000 for FY 06). As Assistant Secretary for Water & Science, you will do everything you can to ensure that the Fish & Wildlife Service has adequate funding to complete the required NEPA and ESA reviews and development of the Platte River Program?

Answer. The budget for the Fish and Wildlife Service is overseen by the Assistant Secretary for Fish, Wildlife, and Parks, not the Assistant Secretary for Water & Science, but I will certainly communicate with the responsible officials in the Fish and Wildlife Service regarding the importance of this project.

Question 50c. Will you likewise ensure that the Bureau of Reclamation has adequate funding to implement the program in 2006?

Answer. I would recommend that the Bureau of Reclamation carry out the program at the funding level provided for in the Fiscal Year 2006 Energy and Water Appropriations bill, which has already passed both bodies of Congress and awaits final conference action.

UPPER COLORADO RIVER ENDANGERED FISH RECOVERY PLAN

Question 51a. This recovery program, established in 1988, continues to be a success. It has begun its third year of concerted efforts to manage northern pike and smallmouth bass in certain river reaches where these nonnative fish species threaten the survival of the endangered humpback chub, bonytail, Colorado pikeminnow and razorback sucker.

Please provide me with an update and status of the program.

Answer. The Recovery Program is implementing aggressive efforts to construct fish passages, fish screens, and propagation facilities; restore habitat; acquire water; enlarge water storage reservoirs; control nonnative fish; and improve water use efficiency to recover four listed Colorado River fish species. The non-native fish control measures that you mentioned are occurring in the Yampa, Green, and Colorado Rivers. To date, the Program has served as the reasonable and prudent alternative for water projects while avoiding Endangered Species Act (ESA) related litigation.

Question 51b. Again, the Senate voted overwhelmingly to restore funding (\$691,000 for FY 06) for the Upper Colorado River fish recovery project. Will you reaffirm your commitment to the success of this program?

Answer. I affirm my commitment to the success of this unique program that allows water development to continue, while realizing sufficient progress in recovering the endangered species.

SAN JUAN RIVER BASIN RECOVERY PROGRAM

Question 52. Like other recovery programs, the purpose of this program is to help recover the endangered fish while allowing water development to continue under the Colorado River Compact. The program recently developed "Principles for Conducting ESA Section 7 Consultations on Water Development and Water Management Activities Affecting Endangered Fish Species in the San Juan River Basin." These principles provide certainty for water users with respect to both the process and the outcome of the Section 7 consultation.

Will you affirm your support, if confirmed, for the necessary annual appropriations for this program?

Answer. Yes, I affirm my support for this program subject to the President's annual budget request.

ARKANSAS VALLEY CONDUIT

Question 53. As you know, my bill (S. 1106) would provide an 80/20 cost share by the federal government to build the Arkansas Valley conduit. The Arkansas Valley Conduit will deliver fresh, clean water to dozens of valley communities and tens-of-thousands of people along the river. Community leaders continue to explore options for financing their share of the costs and are working hard to develop the organization and agreements that will oversee the conduit project.

Will you affirm your support for S. 1106?

Answer. While I have not examined this legislation in great detail, I am aware of economic challenges relating to the feasibility of this project. Since the Department has not been asked to testify on S. 1106, I prefer to reserve judgment until I have had an opportunity for a more thorough review.

COLORADO RIVER COMPACT SHORTAGE CRITERIA

Question 54a. Will you provide me with an update and status of the upper and lower basin state negotiations?

Answer. Representatives from the seven Colorado River Basin States have been meeting regularly since March 2004 with the goal of developing consensus recommendations on the operation of the Colorado River reservoirs under drought and low reservoir conditions. At the request of the States, the Department and Reclamation have been participating in some of these meetings. Reclamation has been providing technical support to the States, performing river simulation modeling to analyze the various operating strategies developed by the States. Given recent discussions, the Department remains hopeful that the Basin States will advance a consensus recommendation within the next few months.

Question 54b. If confirmed, will you affirm the Department's commitment to developing shortage criteria for Powell in the event the current drought continues?

Answer. In a May 2005 letter to the Governors of the seven Colorado River Basin States, Secretary Norton announced that Reclamation would immediately begin developing additional operational tools and management strategies to guide future operations of Lake Powell and Lake Mead, not only during future droughts, but also under low reservoir conditions. Reclamation has begun to meet this commitment by holding a public meeting in Henderson, Nevada on May 26, 2005, and published a Federal Register notice regarding this effort on June 15, 2005. I am committed to following through on the Secretary's direction on this important effort.

RESPONSES OF TOM WEIMER TO QUESTIONS FROM SENATOR DOMENICI

The Department plays a critical role in emphasizing responsible development of energy resources on Federal lands. As you know we are starting our conference with the House on a comprehensive energy package. We will be looking to the Department to implement many aspects of our final bill.

Question 1a. Over the past few years we have pressed for improved service in the Department energy programs. With the Energy Bill, we are providing some new tools and streamlining others.

Can you tell us what kind of commitment we can expect in implementing a National Energy Policy?

Answer. At the outset, I want to thank you for your leadership and hard work in introducing and passing the National Energy Policy Act of 2005. As you know, the President is deeply committed to facilitating the development of additional domestic energy resources on public lands in an environmentally responsible manner. If enacted, we will work diligently to implement the provisions in the Energy Bill that apply to the Department of the Interior.

Question 1b. Can we expect that commitment to be reflected in future budget requests?

Answer. The President's budget prioritizes energy development on public lands. We anticipate that commitment will continue to be reflected in future budget requests.

ENERGY DEVELOPMENT

Question 2. OMB is likely to require cuts in the Department programs over the next few years in an attempt to reduce the deficit. But cuts in your Energy programs can be described as "penny wise but pound foolish". If DOI has the resources to process drilling permit applications in a timely fashion, I expect we will see dramatic increases in receipts due to both increased production as well as from higher prices.

Do you agree with this expectation, and, if so, will you make a commitment to make the case to OMB that an investment in processing drilling permit applications will pay off?

Answer. Yes, I agree that increased domestic energy production and continued high energy prices should contribute to significant increases in receipts to the Treasury as the Department is able to permit increased activities on Federal lands and the Outer Continental Shelf. Over the last several years, the Department of the Interior and the Bureau of Land Management have prioritized the expeditious processing of applications for permits to drill, and we will continue to do so. Our budget requests have emphasized the importance of reducing our dependence on imported energy and the economic benefits of increasing domestic production, including the significant revenues that will accrue to the Treasury from comparatively small investments in Interior's energy management programs.

ENERGY DEVELOPMENT

Question 3. This nation is the "Saudi Arabia" of Oil Shale and the bulk of this resource is on Federal Land. One new program I'm trying to see funded in the FY2006 Appropriation would initiate an Oil Shale Leasing Program at BLM.

Can I get a commitment that, if confirmed, you will aggressively implement such a program?

Answer. Yes. In fact, the BLM's commitment to developing a program for Oil Shale Leasing is evidenced by very recent action taken pursuant to the Secretary's existing authority under the Mineral Leasing Act. On June 9, 2005, the BLM published a new, final oil shale lease form in the Federal Register, calling for nominations for parcels of public lands for oil shale research, development, and demonstration activities. The Federal Register Notice outlined a Research, Development, and Demonstration (RD&D) leasing program allowing tracts of Federal land of up to 160 acres to be used to demonstrate the economic feasibility of today's technologies over a period of up to 10 years. Lessees may, at the time of their nomination, request additional lands be reserved for a preference right lease on contiguous acreage which, taken together with the RD&D lease tract, do not exceed 5,120 acres.

The BLM is also looking at what level of commercial leasing regulations it could propose for comment. These regulations may be proposed concurrently with the RD&D program. If confirmed, I will work closely with you and the Committee on this issue.

HOMELAND SECURITY COSTS

Question 4. How much have DOI's costs increased since 2001 as a result of homeland security requirements, and has there been an equivalent budget increase to support the effort? If given the opportunity to change the existing system, how would you budget for and reimburse bureaus for unexpected homeland security requirements such as changes from yellow to orange alert status?

Answer. Since 2001, the Department has experienced increased costs relating to the protection of key dams and monuments; protection of DOI employees, visitors, and natural and cultural resources; and in responding to the increased security needs associated with code orange alerts.

For the National Park Service, since the attacks on September 11, 2001, Congress has appropriated nearly \$87.6 million in one-time funding and over \$36.4 million in recurring funding directly related to homeland security costs. The \$87.6 million includes \$53.1 million for construction projects related to homeland security, including \$17.8 million for the vehicle barrier at Organ Pipe Cactus National Monument. The \$87.6 million also includes \$33.8 million in operational increases dedicated to security for icon and border parks, which includes \$5.1 million for border parks.

The 2006 budget for the Bureau of Reclamation includes \$50 million for site security to ensure the safety and security of critical infrastructure, an increase of nearly \$49 million over 2001.

In total for all Interior agencies, the 2006 budgets for law enforcement increases by \$70.7 million over 2003 levels. A significant portion of this increase is for homeland security. (The law enforcement budget has also been increased to address law enforcement reforms, expanded law enforcement responsibilities and emerging needs such as BIA detention facilities.)

The Department has budgeted for security needs in order to maintain operations at Alert Level Yellow status at critical infrastructure and NPS icon facilities. Because of this, the DOI can now go to orange alert with little additional cost. The Department continues to work closely with other security and law enforcement entities and the Department of Homeland Security to ensure that requirements are anticipated and the budgets of the security and law enforcement programs adequately address priority needs.

FUNDING FOR PAY INCREASES

Question 5. I have heard that some park units have had to leave positions unfilled, and eliminate temporary and seasonal employees in order to find sufficient funds to give full time employees authorized pay increases and keep up with increasing utility costs. If confirmed, would you commit to investigating whether this is true, and determining how many positions have been allowed to lapse and where those positions are located?

Answer. I am informed that during 2005, the National Park Service (NPS) will employ well over 20,000 FTEs, continuing a historically high employment level. To ensure that these personnel resources are appropriately deployed to provide service to the public, the NPS, on a regular basis, is undertaking a core mission analysis examining service levels, changing demands and new responsibilities. If confirmed, I will work with you and the NPS to identify and address the FTE needs of the parks to meet their mission requirements.

DRILLING PERMIT APPLICATIONS

Question 6. Where does the Department stand on reducing its backlog on drilling permit applications?

Answer. The Department is committed to the reduction of pending applications for permits to drill (APDs). In 2004, the BLM processed a record number of APDs (7,351). This year the BLM is running well ahead of that record pace in both APDs received as well as those processed. At the end of FY 2004, BLM had 2,868 APDs pending, of which only 2,214 were pending for more than 60 days. As of July 9, 2005 there were 3,802 APDs pending, of which only 1,916 were pending for more than 60 days. The table below shows APDs pending at the end of each fiscal year and the number of APDs received and processed during the fiscal year. The major challenge in further reducing the number of pending APDs is the large number of APDs that have been received in the past two years. This demand has remained high in FY 2005; as of July 9, 2005, BLM has received 6,230 APDs.

STATUS OF PENDING APDs

[Bureau-Wide]

Fiscal Year	TOTAL APDs Pending at Beginning of Fiscal Year	APDs Received During Fiscal Year	TOTAL APDs Processed During Fiscal Year	Increase (+) or Decrease (-) in Number of Pending APDs at End of Fiscal Year	TOTAL APDs Pending at End of Fiscal Year
1994	4,033	1,171	2,216	-1,045	2,988
1995	2,988	1,172	1,964	-792	2,196
1996	2,196	1,409	2,129	-720	1,476
1997	1,476	2,645	2,867	-222	1,254
1998	1,254	3,144	2,670	474	1,728
1999	1,728	4,505	2,306	2,199	3,927
2000	3,927	3,977	3,892	85	4,012
2001	4,012	4,819	4,266	553	4,565
2002	4,565	4,585	5,830	-1,245	3,320
2003	3,320	5,063	5,143	-80	3,240
2004	3,240	6,979	7,351	-372	2,868

PARK MAINTENANCE BACKLOG

Question 7. What progress has the Administration made toward reducing the maintenance backlog in the national park system?

Answer. The NPS has made significant progress in undertaking specific maintenance projects throughout the National Park System as well as in establishing and implementing a new management framework that will guide the Service's approach to asset management. If enacted, the President's FY 2006 budget and surface transportation reauthorization proposal would fulfill the pledge to devote \$4.9 billion over five years towards the NPS maintenance backlog.

With the funds appropriated and collected thus far since FY 2002, the NPS has undertaken over 4,000 projects ranging from road repairs to historic building stabilization and restroom rehabilitation. In addition, the NPS has completed the first ever systematic inventory of its assets and conducted initial condition assessments at all parks. Comprehensive condition assessments are scheduled to be completed by the end of FY 2006.

COMPETITIVE SOURCING

Question 8. How many competitive sourcing studies have been conducted by the DOI during this Administration, in which disciplinary areas, and what were the findings?

Answer. The Department has completed 90 studies of 3,000 FTEs during this Administration. In 90 percent of these studies, it was determined that the Federal Government was the most cost effective service provider (sometimes referred to as "Most Efficient Organization"). It is projected that the development of Most Efficient Organizations within the Department will result in annual savings of \$5.3 million per year over the next 5 years.

A variety of disciplines have been studied, including administrative, clerical, archeological, maintenance/custodial, auditors, guard services, IT services and fire fighting. By far, the discipline studied the most is maintenance/custodial.

LAW ENFORCEMENT RANGE RETIREMENT

Question 9. The position of law enforcement ranger (GS-0025) qualifies individuals for retirement after 20 years of service. Some individuals that performed law enforcement ranger duties have been denied full retirement benefits. The section of the code that specifies these retirement benefits is 5 USC 8336(c), commonly referred to as 6(c) retirement benefits. Interpretation of eligibility is determined by the Firefighter and Law Enforcement Retirement Team (FLERT). It has come to our attention that there are many concerns as to how these retirement rulings are being made.

How many people have filed a request for 20-year retirement under 6(c) with FLERT each year since its creation in 1997?

Answer. Since your question asks specifically about the position of law enforcement ranger (GS-0025), which exists only in the National Park Service, the following answers pertain only to the NPS.

FY 97	196
FY 98	43
FY 99	41
FY 00	64
FY 01	25
FY 02	16
FY 03	11
FY 04	19
FY 05	6
Total	421

Question 9a. How many of these requests have been denied each year since 1997?
 Answer. It is important to note that FLERT does not determine who is covered, but reviews whether a position that a claimant held is eligible for coverage and for which periods of service. FLERT does not maintain a database on all coverage decisions. However, in FY 2004 and FY 2005, out of 316 NPS claims reviewed, 99 were fully denied, and 121 were partly denied (i.e. particular portions of service were denied), and 96 were approved.

Question 9b. What would be the cost in retirement pay and benefits over the next 20 years to cover those denied claims?

Answer. The cost of covering the retirement pay and benefits for the denied claims over the next 20 years cannot be calculated at this time. This calculation would require: counting the months of service denied for coverage for each claimant, determining the percentage of benefits that would have been paid in by the agency (which varies by each individual's retirement plan), and other factors.

Question 9c. What is the current backlog of claims awaiting a ruling by FLERT?
 Answer. Individual NPS claims pending as of July 15, 2005, total 139.

Question 9d. What is the current status of benchmark position descriptions regarding the Law Enforcement Ranger, GS-0025 series and interpretation of this series as primary law enforcement duties as reviewed by FLERT?

Answer. There currently exist many benchmark position descriptions for Law Enforcement Ranger, GS-0025 series, positions within NPS. In many cases, those benchmark position descriptions are not used as developed, but are modified, which requires FLERT to review them for coverage. Additionally, there are a large number of old benchmark position descriptions that provided coverage under the old case law. Under current case law and interpretation of "Law Enforcement" by the courts, those positions do not qualify for coverage. A meeting between NPS representatives, FLERT, and DOI Office of Human Resources representatives is being scheduled for August to review these old position descriptions and to determine appropriate coverage under the new case law. Additionally, the Office of Law Enforcement and Security is convening a group to develop standardized Law Enforcement Officer position descriptions for use throughout the Department.

RESPONSES OF TOM WEIMER TO QUESTIONS FROM SENATOR SALAZAR

Question 1a. I recently learned that the BLM is allowing consultants paid for by the oil & gas industry have been allowed to work in the Vernal BLM office to process APDs Application for Permit to Drill).

On July 9th, the Salt Lake Tribune reported "that a handful of small oil and gas companies pooled their resources through their trade group, Independent Petroleum Association of Mountain States, to hire the consultants through SWCA Environmental Consulting to 'volunteer' in the Vernal BLM office. The consultants-experts in archaeology, paleontology, geology and wildlife biology-went to work in mid-February and committed to work full time for three months."

Do you understand why this would be alarming for my constituents in Colorado?
 Answer. Yes, without the further explanation which the BLM has provided below, some stakeholders would find this reporting to suggest a potential conflict of interest.

Question 1b. What specific actions are taking place to insure applications are considered in an objective manner in BLM offices with these consultants?

Answer. The BLM Manual 1114.2.22(C) (Volunteers) states that hosted workers may provide advisory services, but may not make substantive recommendations and decisions that are appropriately made by BLM employees, supervisors, and man-

agers. Accordingly, work assignments for hosted workers are made by BLM supervisors and managers, not sponsoring organizations. Prior to the arrival of hosted workers at the Vernal Office, BLM identified the projects on which hosted workers would be assigned. Neither the hosted workers nor the consulting firm that recruited the workers would have any role in setting work priorities. Hosted workers do not have access to BLM proprietary information and data. Access to data by volunteers is limited, carefully monitored, and controlled.

The BLM is currently reviewing its policies in this area to further ensure that hosted workers are assigned to activities that are appropriate and in keeping with applicable laws and regulations.

Question 1c. Will you cite the authority under which the Department is utilizing these consultants as well as any official policies of the Department regarding using these consultants.

Answer. Section 307(c) of the Federal Land Policy and Management Act of 1976, as amended, (FLPMA—43 U.S.C. 1737) permits the Secretary to “accept contributions or donations of money, services, and property, real, personal, or mixed, for the management, protection, development, acquisition, and conveying of the public lands . . .”. Section 307(d) of 43 U.S.C. 1737 permits: “The Secretary to accept the services of individuals contributed without compensation as volunteers for aiding in or facilitating the activities administered by the Secretary through the Bureau of Land Management.” This legal authority is supplemented by BLM Manual 1114.2.22(C) (Volunteers), which provides specific guidance of use of hosted workers.

Question 1d. Section 344 of the Senate Energy Bill (H.R. 6) is a provision creating a pilot project to improve federal permit coordination in seven BLM field offices. If confirmed, can you assure me that consultants hired by industry would not be a part of such a pilot project?

Answer. The BLM would not use hosted workers or volunteers paid by industry trade associations in the pilot projects envisioned in the Senate’s Energy Bill because the pilot projects described relate to specific State and Federal workers. I am advised that the BLM views implementation of the pilot projects as a policy-making exercise which would make the use of hosted workers or volunteers inappropriate. I can assure you that I would not approve of using non-Federal workers to make Federal decisions on policy.

Question 2a. The Administration’s budget request proposal to eliminate the Rural Fire Assistance program is unacceptable to me and to most members of this Committee. As you know, the Senate Appropriations Committee has restored funding for this program. In the arid west, it is absolutely essential to have adequate funding for wildland fire management activities, particularly in the “red zone” adjacent to urban development and other residential areas. As you know, rural fire departments are often the first responders to fires on federal lands. They face great risk and incur enormous expense fighting those fires. The Mason Gulch fire threatened and hundreds of homes in Colorado. Thankfully, last night the residents of Beulah were finally allowed to return to their homes. But there is still a great deal of work to do.

If confirmed, will you work with me to ensure that funding for these vital programs remains one of the Administration’s top priorities?

Answer. Yes, I recognize the vital role of rural fire departments in protecting their communities, as well as nearby Federal lands, from wildfires. The Department of the Interior values its partnerships with local fire departments, and I will work with you to make sure those partnerships remain strong.

Interior proposed dedicated funding of \$1.9 million in 2006 for training and equipping rural firefighters who would become what we call the ready reserve of non-Federal firefighters who could fight less severe fires around communities without having to call in more costly Federal or contract crews. I understand that the Department is aggressively working with States and local governments to develop community wildfire protection plans and implement hazardous fuel treatments. Maintaining an effective interagency network of firefighting forces ready to provide rapid, safe, initial attack will be a priority for this Administration. I also understand that the Department has been working with the Forest Service to create an interagency agreement with the Department of Homeland Security to give higher priority to wildland fire grants. This agreement will make it possible for the DHS Assistance to Firefighters Grants Program to take into account the Nation’s wildland firefighting priorities when awarding grants to fire departments. I am told that agreement has been reached at the staff level in the three agencies and the agreement is in the process of final agency approvals.

Question 2b. What other actions is the Department taking to treat acreage susceptible to wildfires in the “red zone”?

Answer. I understand that the Department has substantially shifted the hazardous fuels program toward the wildland-urban interface (WUI) as a result of our maturing collaborative relationships with our State, Tribal, and local partners. In 2001, treatments in the WUI totaled only 164,000 acres and accounted for just 23 percent of total acreage treated. The WUI share of the program rose to 39 percent last year and accounts for 41 percent of our accomplishments to date this year. As of July 15th, our bureaus had already treated 364,000 WUI acres, more than twice as much as they did in all of 2001.

RESPONSES OF TOM WEIMER TO QUESTIONS FROM SENATOR SMITH

Question 1. A permit system for boaters, unlike any other existing permit system, has been implemented by the Bureau of Land Management on the lower Deschutes River in Oregon as part of a settlement agreement. From all reports, that system is utterly failing. Boaters cannot even access BLM's website to obtain permits. What steps will you take at the Department to ensure compliance with the settlement agreement—both in terms of making the permit system work and ensuring fair and adequate river access? Given that we are at the height of the boating season, how quickly can my constituents and the professional outfitters who depend on the river for their livelihoods expect a resolution of this issue?

Answer. In mid-April 2005, the BLM received a report from the Department of the Interior Inspector General identifying some potential security issues with its network and web sites. In response, in consultation with the Department, all of the BLM web sites, with the exception of some fire-related sites, have been disconnected, and other actions have been taken to secure the information while its Information Resources Management staff works to resolve the issues.

In addition, the BLM is currently involved in a court action in which the adequacy of information security is an issue. Failing to demonstrate adequate protections could result in a much longer-term, mandatory disconnection. As a consequence, it is imperative that all sites be properly secured and tested before being reconnected.

The BLM web site is an important aspect of customer service, and the BLM takes seriously its obligation to protect and ensure the integrity of its internal information systems and the on-line information provided to its customers. Improving security in the short term will also allow the BLM to serve its visitors better in the future.

Because the BLM is a large organization with a great deal of information and many systems that support its mission, reengineering the web infrastructure to enhance the manageability and security of these assets is a complicated effort that will take months to complete. The BLM is aware of the inconvenience this causes and greatly appreciates the public's understanding and patience.

Boater passes (including those covered by the limited entry provisions of the settlement agreement) continue to be available through all authorized vendors. Additionally, as prescribed in the Lower Deschutes River Management Plan settlement agreement, a published toll-free number (1-866-588-PASS (7277)) has been activated to provide an alternative avenue for public purchase of boater passes. Callers can receive the pass through the mail, via e-mail address, or by fax. Effective July 18, 2005, the Prineville BLM Office will be extending the hours of operation of the 800 number. Sales of boater passes in these two venues should allow the BLM to comply with the settlement agreement until security issues with the closed portion of the web site can be resolved.

Question 2 The Steens Mountain Wilderness and Protection Act of 2000 designated 170,000 acres of wilderness which is being managed by the Bureau of Land Management in Oregon through the Steens Mountain Cooperative Management and Protection Area. I remain very concerned that provisions within the Act guaranteeing access and economic use of private inholder properties within the Area are not being followed by the BLM as it develops the management plan for the Steens. What assurances can you provide that all inholders will retain their full historic access and use of their properties? If the Management Plan adopted by the agency in any way limits that usual and historic access and use, what steps will the agency be taking to resolve this problem with individual landowners?

Answer. The Steens Mountain Cooperative Management and Protection Act of 2000 (P.L.106-399) (the Steens Act) established both a 500,000-acre Cooperative Management and Protection Area (CMPA) and an approximately 170,000-acre Wilderness Area, which is wholly contained within the boundaries of the CMPA.

The Steens Act required the BLM to provide "reasonable access to private lands within the boundary of the Wilderness Area." The BLM has been working through the Steens Mountain Advisory Committee (SMAC) to address the issue of inholder motorized access in the Wilderness Area.

Based on recommendations of the SMAC, the BLM prepared an environmental assessment (EA) and in June 2004 issued a decision to permit motorized access from May through November to the Ankle Creek Route, which is a route that was the subject of considerable controversy in the scoping process. The decision was appealed to the Interior Board of Land Appeals (IBLA), which issued a stay preventing the BLM from implementing its decision. The BLM interprets the stay as a return to the management practices that precede the EA. Allowable uses prior to the EA included motorized access to the inholdings along the Ankle Creek Route at historically established levels.

In April 2005, the BLM also issued the Snowmobile and Berrington Trail Access Analysis EA. The BLM is analyzing public comment on this EA and expects to issue a final decision in the near future.

The BLM will continue to work with the SMAC and the inholders to continue to provide reasonable access to their inholdings.

RESPONSES OF TOM WEIMER TO QUESTIONS FROM SENATOR BINGAMAN

MIDDLE RIO GRANDE BASIN

Question 1. I have had a recent round of correspondence with Assistant Secretary Scarlett regarding funding needs for the Middle Rio Grande Basin in New Mexico. In that correspondence, Ms. Scarlett indicated that the Department would include an interagency cross-cut budget in its fiscal 2007 budget request to help address endangered species and water supply issues in the basin. I believe that commitment is very important if we are to continue to make progress in improving the Rio Grande environment while continuing to protect the interest of water users.

Are you familiar with the correspondence that I'm referring to? If so, will you help to develop a cross-cut budget for the Middle Rio Grande if you are confirmed?

Answer. Yes, my office was involved in the preparation of Assistant Secretary Scarlett's correspondence. I am committed to developing a cross-cut budget with Reclamation, the U.S. Fish and Wildlife Service, and any other agencies deemed appropriate. The interagency effort to develop this cross-cut budget has already begun.

Question 2a. I have read that Kane County, Utah has placed many unauthorized signs within the Grand Staircase—Escalante National Monument and on other environmentally-sensitive lands administered by the Bureau of Land Management in Utah, and removed other signs placed by the BLM. I understand that the Department has referred these issues to the U.S. Attorney's Office in Utah to, but that office has yet to pursue legal action.

Has the Department taken any action on its own to remove the unauthorized signs placed by the county or to install replacement signs for those illegally removed by the county? If not, why?

Answer. In a letter sent to Kane County Commissioners on April 26, 2005, BLM Utah State Director Sally Wisely requested Kane County to remove the unauthorized signs that were placed on BLM lands. While some signs have been removed by the County, many others remain posted on Federal lands as the County continues to take unilateral action without coordination or authorization from the BLM.

All 31 BLM signs that were illegally removed by Kane County in 2003 have been replaced by the BLM.

Question 2b. Can the Department take any other actions to address this issue, such as imposition of civil fines under the BLM's regulations, without a referral to the U.S. Attorney's Office?

Answer. The BLM first attempts to work collaboratively to resolve conflicts such as this. However, under its regulations, the BLM has some authority to take administrative actions, including assessing trespass damages. The BLM is conferring with the U.S. Attorney's Office on the appropriate actions.

Question 3a. An article in the *Salt Lake Tribune* last week states that a BLM office in Utah is using consultants paid by the oil and gas industry to prepare environmental studies for oil and gas drilling applications.

What steps is the BLM taking to ensure there is no conflict of interest?

Answer. The BLM Manual (Section 1114.2.22(C)) (Volunteers) states that hosted workers may provide advisory services, but may not make substantive recommendations and decisions that are appropriately made by BLM supervisors, managers, and employees. Accordingly, work assignments for hosted workers are made by BLM supervisors and managers, not sponsoring organizations. Prior to the arrival of hosted workers at the Vernal Office, BLM identified the projects on which hosted workers would be assigned. Neither the hosted workers nor the consulting firm that recruited the workers would have any role in setting work priorities. Hosted workers

do not have access to BLM proprietary information and data. Access to data by volunteers is limited, carefully monitored, and controlled.

The BLM is currently reviewing its policies in this area to further ensure that hosted workers are assigned to activities that are appropriate and in keeping with applicable laws and regulations.

Question 3b. The article also states that other BLM offices in Wyoming and Nevada have used a "hosted worker" program. Please provide me with all offices that are using, or have recently used volunteers or other employee resources paid for by companies seeking BLM approval of an application or permit.

Answer. Based on a survey of its State Offices, the BLM found that in addition to the Vernal, Utah office, the White River Field Office in Colorado has one hosted worker who works on oil and gas applications to drill. No other BLM office uses hosted workers, or volunteers, with salaries paid for by outside groups, to perform work on oil and gas applications to drill.

Question 3c. Section 308(e) of the Federal Land Policy and Management Act (FLPMA) prohibits the Secretary of the Interior from using any volunteers in "policymaking processes."

What specific activities are the consultants paid by the oil and gas industry performing in the Utah BLM offices, and is it clear that these are not part of the policy-making process?

Answer. The hosted workers in the Vernal, Utah office, perform resource input and scientific analysis in subject matters in which they have expertise. These are biologists, archeologists, and paleontologists compiling data and conducting analysis necessary to do environmental analysis in accordance with the provisions of the National Environmental Policy Act. Their work is carefully reviewed and signed off by BLM subject matter specialists who are in a supervisory role. These consultants have no decision making authority. All decisions are made by BLM managers.

Question 4. The Act of August 25, 1916 directs the National Park Service to manage units of the national park system "by such means measures as conform to the fundamental purposes of said parks, monuments, and reservations, which purpose is to conserve the scenery and the natural and historic objects and the wild life 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." NPS Management Policy 1.4.3 states "when there is a conflict between conserving park resources and values and providing for the enjoyment of them, conservation is to be predominant." It is my understanding that this management policy is consistent with the way Federal courts have interpreted the Organic Act. Recently the Director of the National Park Service in a written answer submitted to the Committee stated she took issue with the interpretation that courts have interpreted that the Organic Act gave priority to the directive to conserve park resources. I find her response very troubling.

Can I get your assurance that if confirmed, you will oppose attempts to weaken the National Park Service's policy that resource conservation its top management priority?

Answer. The NPS Management Policies issued in 2001 are under review in the Office of the Assistant Secretary for Fish and Wildlife and Parks. Resource conservation that provides for unimpaired enjoyment for present and future generations is clearly stated in the NPS Organic Act. I will commit to ensuring that the NPS Management Policies are in accord with the law.

Question 5. Pursuant to instructions in the Presidential Proclamation establishing the Kasha-Katuwe Tent Rocks National Monument in 2001 the BLM entered into a cooperative management agreement with the Pueblo de Cochiti. By all the accounts it appears the agreement has been a great success for all involved and I commend both the BLM and Pueblo on their work preserving and showcasing this New Mexico natural resource. Unfortunately, there have been recurring problems with funding the agreement. Management funds have been inconsistent year-to-year and, I am informed, even funds designated for the Monument have been redirected to other uses. This uncertainty and lack of transparency in management funding for the Monument presents immense management challenges particularly for the Pueblo which often has to find monies within their own scarce budget for management of this public resource. I'd like for you to look into this matter and see if we can establish some kind of baseline requirement for management funds for the monument and ensure funds are provided in the President's budget in such a way that they actually get to where they are needed.

Answer. The agreement between the Pueblo de Cochiti and the BLM for the management of the Kasha-Katuwe Tent Rocks National Monument has been a great success. We take our cooperative agreement seriously. I am informed that we are fully funding that agreement and that the BLM is also working closely with the

Pueblo to secure funding from nongovernmental sources to assist them in meeting additional goals associated with the management of the monument. If confirmed, I will monitor the funding for this agreement to ensure its success.

Question 6. I was pleased to hear about the discovery of the “Snowy River” cave in my state. This appears to be a significant find and Senator Domenici and I will be working to protect the cave in legislation coming before this committee in the near future. I am somewhat dismayed, however, that there was so little effort on the part of the BLM to share information on what was being done in the many months of exploration prior to the announcement of the find. I believe a more open information exchange would have been far more productive in this case. I would like your commitment to make sure to involve all the members of the Congressional Delegation in significant work such as this and other issues that the Department undertakes in New Mexico.

Answer. There was a significant delay between the discovery of this important new cave and the announcement to the public. Once the BLM in New Mexico fully realized the significance of this new discovery, the BLM then worked to ensure appropriate protective measures were in place prior to a public announcement. You can be assured that in the future the BLM will keep you and the entire New Mexico delegation fully informed of any new developments with this cave and other issues involving the BLM in New Mexico.

TERRITORIES

Question 7. The territories of the United States look to the Department of the Interior for assistance and leadership in the proper consideration, and if possible the resolution, of issues in federal-territorial relations. Because the Deputy Assistant Secretary for Insular Affairs reports directly to the Assistant Secretary for Policy, Management and Budget, if confirmed, you will play a critical role in federal-island relations. Can you assure the Committee of your commitment, if confirmed, to respond to the concerns of the islands and to engage other federal agencies through the White House Interagency Group on Insular Affairs, as appropriate, to assure proper consideration of their concerns.

Answer. If confirmed as Assistant Secretary for Policy, Management and Budget, I will oversee the work of the Interagency Group on Insular Areas (IGIA), and will be fully engaged in insular issues. I view the IGIA as an essential tool for resolving territorial issues that involve the jurisdictions of multiple Federal agencies. If confirmed, I will work to respond to the concerns of the Islands and to engage other Federal agencies through the IGIA, as appropriate, to assure proper consideration of their concerns. Making full use of IGIA potential will bolster America’s relations with its overseas island areas: American Samoa, Guam, the Virgin Islands and the Commonwealth of the Northern Mariana Islands.

TAX AND TRADE POLICIES

Question 8. The U.S. Virgin Islands, American Samoa, and the CNMI are each facing significant job losses and reductions in their local revenues in the coming months as a consequence of changes in federal tax and trade policies. Would you please provide an estimate of these anticipated revenue losses and describe what actions the Department is taking to mitigate the impact, including whether the Department is considering increases in Departmental funding for the islands in order to assure the continuation of essential services.

Answer. The U.S. Virgin Islands could lose at least \$114 million annually in tax revenue due to Section 937 of the Internal Revenue Code, which is being implemented as part of the Federal Jobs Creation Act of 2004. The proposed section would change the residency requirements for the U.S. Virgin Islands for tax purposes, and it would also change the rules for determining whether income is sourced in a territory. The Department, through the Office of Insular Affairs, is working with the Department of the Treasury to try to mitigate the impact of the new regulations on the territories.

Phase out of Section 936 of the Internal Revenue code, which has provided tax benefits to U.S. companies in the territories, could diminish the fishing industry in American Samoa. Other market factors could also help diminish the industry as well. Potential revenue lost is estimated at \$45 million per year should the canneries leave the island. American Samoa currently houses the world’s largest tuna industry, which provides the principle economy of the island, making up 34 percent of the job market, or about half of all the jobs in private industry. Proposed legislation extending Section 936 for American Samoa only for the next ten years is pending in Congress.

Free trade arrangements worldwide could diminish the garment trade in the CNMI. Currently, garment operations in Saipan account for approximately 38 percent or \$80 million of the CNMI's \$220 million annual budget. The CNMI is working on legislation to modify the U.S. Tariff Code to help the CNMI better compete in the international market by reducing the local content value-added requirement from 50 percent to 30 percent for all territories.

ANNUAL FINANCIAL ASSISTANCE REPORT

Question 9. In 2003, the Congress approved extension of the Compacts of Free Association with the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM). The new law, Public Law 108-188, established for more rigorous accountability mechanisms than had been the case under the previous Compact. One important new requirement is that the Department is required to report each January to Congress on the use of the \$150 million in annual financial assistance. Unfortunately, the Department has still not transmitted the report that was due last January. Can you explain the delay and assure the Committee that we will have that report within the next 30 days?

Answer. Public Law 108-188 calls for the President to report annually to the Congress on the implementation of the Compacts of Free Association. The report for 2004 is the first of such reports. As such, it required a new template of analysis and review. I am informed that the report will be completed and sent to the Congress soon.

HAWAII OFFICE

Question 10. A further action taken to improve accountability in the RMI and FSM was the establishment of an oversight office in Hawaii. During a recent trip to the islands, however, our joint committee staff learned that the staff in the new Hawaii office has insufficient funds to travel to the islands and properly oversee the use of U.S. funds. Can you please describe what steps the Department is taking to resolve this problem?

Answer. Travel for Office of Insular Affairs personnel in our Hawaii office is essential for oversight of Compact implementation in the Republic of the Marshall Islands and the Federated States of Micronesia. The Office of Insular Affairs has resolved the travel fund shortage for our Hawaii office by making available \$30,000 for additional fiscal year 2005 travel. For FY 2006, the budget proposes a program increase of \$84,000 to provide additional resources, including travel funds, to the Hawaii office.

INSULAR AREA BUSINESS OPPORTUNITY CONFERENCES

Question 11. The Department has sponsored a series of Insular Area Business Opportunity Conferences in D.C., California, and in the Pacific islands. Please provide the Committee with an accounting of the total cost of these conferences, the source of the funding from within the OIA budget, and identify specific private investments which have resulted from the conferences.

Answer. The following chart responds to the first part of your request.

Costs

FY Year	Description	Cost (in \$)	Source
2003	2003 Investment Development Conference— Washington, DC (Costs include event man- agement and some travel).	45,000	Technical Assistance
2004	2004 Business Opportunities Conference (costs broken down below).		
	Marketing/Outreach Support	74,000	Technical Assistance
	Events Management/Venue Costs	83,000	Technical Assistance
	Staff Travel (Including outreach events)	43,000	General Account
2005	Business Opportunities Mission to Guam, Saipan, and Palau (Costs broken down below).		
	Marketing Outreach Support	28,000	Technical Assistance
	Events Management/Logistics Support	31,000	Technical Assistance
	Staff Travel	30,000	Technical Assistance
Total		334,000	

*Note: The 2003 Conference focused on opportunities in the four U.S.-flag jurisdictions only. The 2004 program was expanded to include the three Freely Associated States. In both cases, however, the agendas depended heavily on information and contacts developed by the Island Business Fellows program.

Results

a. *Outreach*: Attendance at both conferences exceeded expectations by as much as 100%; Attendance in 2003 was 550 (expected 250—300); in 2004, attendance was estimated at 1200 (target 600—800). In both cases, attendees from the mainland were at the decision maker level for their respective companies/organizations. Based on the experience in 2003, a private firm was contracted to provide support to the outreach and recruitment efforts for the 2004 event and also the mission. Significantly, a majority (nearly two-thirds) of the participants in the 2005 Mission attended one of the two conferences or had been previously reached by our outreach efforts.

OIA has built up a significant body of knowledge as a result of its outreach and other efforts. The contacts database begun in 2003 now lists over 2500 business and government contacts in the insular areas and in the 50 States. In addition, a significant body of knowledge on business opportunities in each of the seven jurisdictions has been developed; this will be used for outreach on future missions and conferences. By its nature, this effort is evolutionary, each step and component feeding the next. The efficacy can be seen in the results of the recruitment for the 2005 Mission—companies like Fluor, Hilton, and Unified Western Grocers, as well as some very specific types of companies, including the operator of a fleet of live-aboard dive boats, were successfully recruited and participated. Virtually every mission participant is now pursuing some new business opportunity in one or more of the three areas visited.

b. *Business Opportunities under development by participants in the Conferences and Mission*

- Resort hotel development—CNMI
- Nurse training program—CNMI¹
- Distance learning courses (university level)—Guam and CNMI
- Housing development—Palau²
- Nationwide cellular and satellite communications systems improvement—Palau

¹The mainland participant has already purchased a hotel on Saipan to house her students.

²The mainland partner is bringing a team of business partners.

- Customs and immigration systems overhaul and development—Palau, CNMI, and RMI³
- Deep sea mining—CNMI
- Resort and attractions development—Palau⁴
- Live-aboard Dive Boat start-up—Palau and FSM
- Homeland security public-private partnership—Guam⁴
- Retirement community—CNMI²
- Sale of interest in shipyard—American Samoa
- Plastic bag factory—CNMI or FSM
- Airport Commercial Park—Guam⁴
- Black pearls cultivation—RMI and FSM

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³These projects involve a growing network of IT and hardware firms in both the islands and the mainland and is being driven by a company in American Samoa.

⁴There are several different projects currently under development, including a hotel and several underwater attractions.