

S. HRG. 109-288

# *Senate Hearings*

*Before the Committee on Appropriations*

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## Department of the Interior and Related Agencies Appropriations

*Fiscal Year* 2006

109<sup>th</sup> CONGRESS, FIRST SESSION

H.R. 2361

DEPARTMENT OF AGRICULTURE  
DEPARTMENT OF THE INTERIOR  
NONDEPARTMENTAL WITNESSES

Interior Appropriations, 2006 (H.R. 2361)

**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
2006**

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**HEARINGS**  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED NINTH CONGRESS  
FIRST SESSION  
ON

**H.R. 2361**

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006, AND FOR OTHER PURPOSES

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**Department of Agriculture  
Department of the Interior  
Nondepartmental Witnesses**

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**DEPARTMENT OF THE INTERIOR AND RE-  
LATED AGENCIES APPROPRIATIONS FOR  
FISCAL YEAR 2006**

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**THURSDAY, MARCH 3, 2005**

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

The subcommittee met at 9:31 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.  
Present: Senators Burns, Stevens, Cochran, Bennett, Dorgan, and Feinstein.

**DEPARTMENT OF AGRICULTURE**

**FOREST SERVICE**

**HON. MARK E. REY, UNDER SECRETARY FOR NATURAL RESOURCES  
AND ENVIRONMENT**

**ACCOMPANIED BY:**

**DALE N. BOSWORTH, CHIEF**

**HANK KASHDAN, DIRECTOR, PROGRAM AND BUDGET ANALYSIS**

**OPENING STATEMENT OF SENATOR CONRAD BURNS**

Senator BURNS. Good morning. We are very pleased to welcome Dale Bosworth, the Chief of the Forest Service, and Under Secretary for Natural Resources and Environment, Mark Rey this morning, and also Hank Kashdan, who is Director of Program and Budget Analysis. We thank you all three for coming down this morning.

We all know that there has been significant belt-tightening in non-defense programs for this coming year, and of course the Forest Service budget request we are reviewing today is currently an example of that. The President's budget request of \$4.065 billion for non-emergency discretionary appropriations represents a cut of 5.8 percent compared to the 2005 level of \$4.239 billion.

I know that this budget climate requires some tough choices, but some of the proposed program cuts have us a little bit troubled up here. For example, funding for construction and maintenance has been decreased by \$134 million, roughly 26 percent, compared to current levels. This is hard to understand given the Forest Service's own estimates that there is more than \$8 billion in backlog of maintenance work on the national forests.

Funding for State Fire Assistance has also been decreased, by over \$22 million, which has almost cut in half the number of com-

munities in which the Forest Service can provide technical assistance and grants for equipment. These local fire departments are often the first to respond to wildland fires. They provide a vital help to the Forest Service and the Department of the Interior.

Also, I am concerned about the \$29.5 million cut in Forest Health Programs in State and Private Forestry. We have millions of acres in our Nation's forests that are infested with insects and diseases like the western bark beetle, the southern pine beetle, and the gypsy moth. The dead trees that result from these pests add to our already excessive fuel loads we have on our forests. Reducing this program affects the agency's ability to monitor and eradicate these pests and diseases.

On the other side of the ledger, some programs receive significant increases in the proposed budget request. These include: Research, \$9 million; Forest Legacy, \$22.8 million; hazardous fuels, \$19 million; and Wildland Fire Suppression, \$51.6 million. I think we will all be interested in hearing from both of you how you formulated your 2006 budget and how you made the difficult decisions to allocate funding between the various programs.

There is another issue that concerns me also, the skyrocketing cost of firefighting programs. The average annual cost for fire suppression in the Forest Service in the last 5 years has been around \$958 million. By way of comparison, in the 5 years prior to that it was only \$352 million.

These escalating costs force the Forest Service to borrow massive sums of money and have caused serious disruptions in the ongoing work of the agency. For fiscal year 2004, the committee was able to provide a special allocation of \$400 million to deal with these escalating costs and impacts of heavy borrowing. The last fire season was not a particularly bad one compared to what we have seen over the last few years, but you still needed to tap into those additional funds to pay for firefighting expenses.

I would like to hear from both of you today on whether this special allocation proved effective in the past fire season, whether you believe that a similar mechanism is needed in the future, and how the agency has implemented several measures the committee included in the 2005 Interior bill to address rising fire suppression costs. These cost-saving measures include putting in place an independent panel to review the expenditures on large fires and devoting a full-time staff to analyzing the most efficient means to procure the hundreds of millions of dollars worth of supplies that are needed by the fire program each year.

Finally, I am pleased to see that the agency has obtained a clean audit opinion of its books for the third consecutive year. You are to be congratulated on that, Chief. In addition, the agency was removed this year from the GAO's list of agencies at high risk of waste, fraud, and abuse. I congratulate you and your leadership in straightening up many of these problems that we had in the Forest Service, and I know you are doing much more in this area and hope to hear from you later today on that subject.

I thank you for joining us today. We will have a lot of questions from this committee with regard to where we have cut and where we have added. We would enjoy listening to your reasoning for



that. I thank you again for coming this morning, and now I yield to my good friend from North Dakota, Senator Dorgan.

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

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

Let me also welcome the Chief and Mr. Rey. I think you have covered, Mr. Chairman, many of the interests that I have. I am very interested in hearing the rationale for the budget recommendations. I must say that in the area of capital improvement and maintenance, given what we know is the backlog and the really critical need to be funding these areas, I am very concerned about a 40 percent reduction in facilities, a 16 percent reduction in roads, and in deferred maintenance and infrastructure improvement a 30 percent reduction—29.7 percent.

All of this begs the question, what are we going to do to address what we know are problems here and what we know requires us to continue to make investments to our forest lands and the property that allows the American people to enjoy our forest lands.

So I am going to submit some questions as well at the end of this dealing with leafy spurge and some other weed issues that I am sure they would expect. Mr. Chairman, as you know, the Congressional Review Act issue is on the floor of the Senate beginning now dealing with the rule coming from USDA to allow the live importation of cattle from Canada. Although I believe a Federal judge in your State of Montana yesterday issued a stay on that issue, we will nonetheless have a 3-hour debate and a vote on the Congressional Review Act trying to overturn that rule. So I will at some moment leave to go participate in that debate after we hear the witnesses.

But again let me thank you for holding the hearing and I am anxious to hear Under Secretary Rey and Chief Bosworth.

Senator BURNS. Chief? Who wants to lead off down there this morning?

SUMMARY STATEMENT OF HON. MARK E. REY

Mr. REY. I think that would be me.

Senator BURNS. Okay, lead.

Mr. REY. Thank you, Mr. Chairman and Senator Dorgan, for the opportunity to discuss the President's fiscal year 2006 budget for the Forest Service. I am pleased to join Chief Bosworth in appearing before you today.

As Chief Bosworth will discuss in a little more detail, this year marks the 100th anniversary of the Forest Service. As such, I think it is worthwhile to reflect on the fact that as a result of the agency's multiple use management actions over the past 100 years, the decline in forest land has stabilized and acres of forest land have increased in some areas of the Nation. Areas destroyed by wildfire have declined by 90 percent, forest growth is exceeding harvest, tens of millions of acres of cut-over land have been reforested, and much of these areas have again been harvested and reforested. Finally, populations of important wildlife species have been restored from the brink of extinction which they faced 100 years ago.

So the situation today is far different than it was 100 years ago, as a result of 100 years of conservation stewardship.

Let me touch on some of the issues that the Forest Service will be focusing on as we begin the second century. First, the health of our Nation's forests. The Healthy Forests Initiative and the Healthy Forests Restoration Act provide emphasis and new authorities necessary to protect communities and natural resources from the risk of catastrophic wildfire. The fiscal year 2006 budget for the Forest Service and the Department of the Interior together includes about \$867 million to continue implementation of the President's Healthy Forests Initiative. This is an increase of \$57 million from last year and a substantial increase over the authorization provided in the Healthy Forests Restoration Act Title 1 provisions.

In fiscal year 2006, the Forest Service and the Department of the Interior land managing agencies will reduce hazardous fuels on 4.3 million acres of Federal land, an increase of nearly 300,000 acres from fiscal year 2005, which will be an all-time record achievement as compared to about a million acres treated annually during the years of the decade of the 1990s.

Now, as you look at our fiscal year 2006 request for the Healthy Forests, you are going to find that the program is oriented more heavily toward Federal than non-Federal lands, and that emphasis exists for three reasons. First of all, we are the only ones who can and will treat Federal lands. We are the only governmental entity that will do that.

Second, by and large the Federal lands are in worse shape from a fuels standpoint than non-Federal lands. Third, there are other programs with, in some cases, more effective delivery mechanisms to provide assistance beyond that which we can provide to our non-Federal partners to assist in firefighting and hazardous fuel reduction processes.

I would also note that the Forest Service will focus two-thirds of its treatments in the wildland-urban interface to protect communities, in accordance with the priorities set in the fiscal year 2006 request.

While the effective treatment of hazardous fuels provides the long-term protection of communities and natural resources from the threat of catastrophic wildfire, the agency must also continue to address fire preparedness. The Forest Service and the Department of the Interior will maintain sufficient readiness resources to suppress more than 98 percent of wildfires on initial attack. As a result of the reengineering of our fleet of aviation assets in advance of the fiscal year 2004 fire season, the Forest Service and the Department of the Interior maintained—actually exceeded—the success rate from previous years in suppressing fires on initial attack. In 2003, for instance, we were successful in extinguishing 98.3 percent of ignitions on initial attack. In fiscal year 2004, we were successful in extinguishing 99 percent of ignitions on initial attack. This meant 70 fewer escapements, with an average suppression savings of about \$20 million. So our reengineered aviation fleet stood us in good stead.

As the chairman correctly noted, the money for suppression is up this year as compared to last year. As we have in previous years, we have budgeted the 10-year average, which continues to increase. That accounts for that increase in the 2006 request.

Let me talk a little bit now about Forest Service organizational efficiency, or operational efficiency. In response to concerns about agency accountability and management, the Forest Service has been diligently working to improve its financial and program management. The agency's implementation of new planning rules, for instance, is expected to significantly reduce both the time and cost to amend or revise land and resource management plans.

Another very important efficiency initiative contained in the President's budget would enable the agency to more effectively manage its facilities. Presently the agency has over 40,000 facilities in its inventory. That is significantly more than we need and it averages substantially more than one building per employee. Legislation proposed as part of the budget request would authorize the sale of unneeded facilities for fair market value and the use of sale proceeds to address our maintenance backlog. That, we believe, is directly responsive to the reductions that we have suggested in maintenance programs.

In addition, the legislation would provide for the establishment of a working capital fund for facility maintenance that will assess programs that use facilities for the maintenance of those facilities.

In response to the President's management agenda, the Forest Service is becoming more efficient in how it performs administrative support. By the end of 2005, the agency will have completed its implementation of a new information technology support organization and the centralization of its financial management and functions. In 2006, the agency will centralize its human resource management activities. Combined, these three efforts will reduce overhead expenses by \$91 million annually, and that is money that can be saved and thereafter reprogrammed for on-the-ground management activity.

As the chairman noted, in recognition of the agency's commitment to sustain an effective financial management, the Government Accountability Office removed the Forest Service from its high-risk list. The GAO action was a direct result of three successive clean audits, the first three in the agency's history, and the demonstrated commitment of the administration to implement organizational changes that will ensure the Forest Service's ability to sustain clean audits into the future.

#### PREPARED STATEMENT

I look forward to working with the committee and the Congress to enact the President's fiscal year 2006 budget request. After Chief Bosworth is done, we would be happy to respond to your questions. [The statement follows:]

#### PREPARED STATEMENT OF HON. MARK E. REY

Mr. Chairman, Senator Dorgan, and members of the Subcommittee, thank you for this opportunity to discuss the President's fiscal year 2006 Budget for the Forest Service. I am pleased to join Chief Bosworth in appearing before you today. In my testimony, I will discuss two main issues. First, I will focus on priorities for the Forest Service as it moves into its second century of fulfilling its mission, including the role that the President's Healthy Forests Initiative (HFI) holds in that mission. Second, I will discuss the reforms and efficiency actions the agency is employing to deliver its mission more efficiently.

As we move through the process of enacting the fiscal year 2006 Budget, all of us in the Executive Branch, like all of you in Congress, are well aware of the chal-

allenges faced in funding the priorities of the Nation. The President's proposed budget for the Forest Service addresses key priorities, makes critical tradeoffs, and demands efficiency in delivery of programs. I look forward to working with you to enact the President's budget for the Forest Service.

#### MOVING FORWARD—A NEW CENTURY OF SERVICE

As Chief Bosworth will also discuss, this year marks the 100th anniversary of the Forest Service. To give you a sense of how the Forest Service plans to move forward, I will briefly review the mission adopted by the Forest Service in 1905 when it was formed, and how its response to the national issues in the coming century are, for the most part, similar.

The 1905 mandate given the Forest Service involved responding to the degradation of watersheds and the substantial loss of forests and wildlife. The agency began taking important actions to conserve America's resources, including the closing of public domain lands and reserving the remaining public lands for protection and management; promoting the conservation and productivity of forests and grasslands regardless of ownership; acquiring scientific knowledge on natural resources management; improving management and productivity of all agricultural lands and forests; and adopting and enforcing wildlife conservation laws. As a result of the agency's actions over the past 100 years of multiple-use management, the decline in forestland has stabilized and increased in some areas of the Nation. Areas destroyed by wildfire have declined by 90 percent. Forest growth is exceeding harvest. Tens of millions of acres of cutover lands have been reforested and much of these areas have again been harvested and reforested. Finally, populations of important wildlife species have been restored from the brink of extinction.

In the coming century, the Forest Service must focus on restoring the health of watersheds, increasing recreational opportunities, providing clean water, establishing healthy wildlife and fish populations, and protecting communities and resources from the risk of catastrophic wildfire. The agency must accomplish this while providing minerals and forest products to meet the increasing demands of the nation. The President's emphasis on healthy forests makes sustainable production of products an integral aspect of improving forest health.

#### HEALTHY FORESTS INITIATIVE

The HFI and the Healthy Forests Restoration Act provides emphasis and new authorities necessary to protect communities and natural resources from the risk of catastrophic fire. The fiscal year 2006 budget for the Forest Service and DOI includes about \$867 million to continue implementation of the President's HFI, which is an increase of \$57 million from last year. This amount includes a request for \$492 million in hazardous fuels funding and the planned expenditure of an additional \$375 million in other habitat management activities that will reduce the risk of wildfire. In fiscal year 2006, the Forest Service and the Department of the Interior (DOI) will reduce hazardous fuels on 4.3 million acres, an increase of nearly 300,000 acres from fiscal year 2005, itself an all-time record.

The Forest Service will focus two-thirds of its treatment in the wildland urban interface (WUI) to protect communities. Protecting communities from the risk of wildfire can be accomplished by activities that result in the production of forest products and the protection and enhancement of watersheds and wildlife. For example, the Forest Service has worked closely with communities to complete over 600 Community Wildfire Protection Plans that identify the local strategies necessary to protect communities and promote multiple-use management activities.

The efficient expenditure of Federal funds requires the agency to develop appropriate incentives that will make the use of forest products an integral aspect of the hazardous fuels reduction. The Forest Service will make maximum use of the stewardship contracting authority and the new authorities provided by the Healthy Forest Restoration Act to make treatment of hazardous fuels more efficient. In furthering this objective, the President's Budget includes a \$10 million investment to improve facilities at the Forest Product Laboratory (FPL) in Madison, Wisconsin that will increase research in creating new products from forest biomass.

#### EFFICIENT RESPONSE TO WILDFIRES

While the effective treatment of hazardous fuels provides the long-term protection of communities and natural resources from the threat of catastrophic wildfire, the agency must also continue to address fire preparedness. The Forest Service and DOI will maintain sufficient readiness resources to suppress more than 98 percent of wildfires on initial attack. This represents the same approximate level of readiness that has occurred over the past several years. Being prepared to manage and sup-

press wildfire requires continued emphasis on improved and efficient use of equipment and personnel. As a result of reengineering the fleet of aviation assets in advance of the fiscal year 2004 fire season, the Forest Service and DOI maintained the success rate in suppressing fires on initial attack. Increased emphasis on the using helicopters instead of large fixed-wing air tankers enabled better pre-positioning of aviation assets in areas where the greatest danger existed and the more accurate application of retardant. The Forest Service is currently completing a long-term aviation strategic plan that will address the wise use of fixed-wing and helicopter assets, which we fully expect to further improve efficiency.

Effective use of suppression assets requires close coordination among Federal, State, and local agencies. Under the oversight of the Wildland Fire Leadership Council, Federal, State, and local resources are being more effectively coordinated in response to wildfires. I am pleased with the coordination that has resulted through this effort.

Although the fiscal year 2004 fire season was relatively mild, the agency still expended \$726 million for wildfire suppression. The President's Budget continues a focus on reducing wildland fire suppression costs and provides suppression funds at the ten-year average cost adjusted for inflation. Additionally, the Budget contains incentives for reducing costs through the allocation of funds to the field and authorizing use of unobligated balances for hazardous fuel treatments.

#### FOREST SERVICE OPERATIONAL EFFICIENCY

In response to concerns about agency accountability and management, the Forest Service has been diligently working to improve its financial and program management. The agency's implementation of a new planning rule is expected to significantly reduce both the time and cost to amend or revise land management plans. In addition, the rule provides for a pre-decisional objection process that replaces a less efficient appeal process. With the objection process, the public has an opportunity to make their concerns known to a higher-level official, and the agency then has the opportunity to make appropriate adjustments before the plan is approved. The appeal process, which was after plan approval, required any necessary or appropriate changes to be made through further planning processes.

Another important efficiency initiative contained in the President's Budget will enable the agency to more effectively manage its facilities. Presently, the agency has over 40,000 facilities in its inventory—significantly more than it needs, averaging substantially more than one building per employee. Legislation proposed as part of the budget will authorize the sale of unneeded facilities for fair market value, and the use of sale proceeds to address the maintenance backlog. In addition, the legislation will provide for the establishment of a working capital fund for facility maintenance that will assess programs that use facilities for the maintenance of those facilities. Local line officers will need to assess the number of facilities that are needed and the necessary operating funds to perform facilities maintenance—this creates the incentive to keep the number of facilities to a minimum. The rest will be conveyed at fair market value. It is anticipated this action will reduce the agency deferred maintenance backlog by 25 percent by fiscal year 2010.

In response to the President's Management Agenda, the Forest Service is becoming more efficient in how it performs administrative support. By the end of fiscal year 2005, the agency will have completed its implementation of a new information technology support organization and the centralizing of its financial management. In fiscal year 2006, the agency will centralize its human resource management activities. Combined, these three efforts will reduce overhead expenses by \$91 million annually. I appreciate the support Congress has shown as the Forest Service implements these reforms.

Even with these improvements, however, inefficiencies increase program delivery costs and are impeding Forest Service performance. The Administration proposes additional reforms to enhance Forest Service efforts to improve its accountability and focus on measurable results in the management of our national forests. These reforms will significantly reduce overhead, business management, and other indirect costs to improve efficiency and program delivery.

In recognition of the agency's commitment to sustained and effective financial management, I am very pleased that the Government Accountability Office (GAO) removed the Forest Service from its "High Risk List." The GAO's action was a direct result of three successive "clean audit" opinions and the demonstrated commitment of the Administration to implement organizational change that will ensure the Forest Service's ability to sustain future clean audits.

## CONCLUSION

A “clean audit” opinion is the minimum the public should expect from the Forest Service. Just like America’s citizens, a Federal agency should be able to balance its checkbook. Further, the agency must demonstrate that it performs its mission as efficiently as possible. The President’s Management Agenda is creating the framework for efficiency. I believe the Forest Service has responded well and is demonstrating its commitment to the efficient delivery of natural resource management on Federal and non-Federal forest and rangelands. I look forward to working with Congress to enact the President’s fiscal year 2006 Budget.

I would be pleased to answer any questions.

Senator BURNS. Chief, do you have an opening statement you would like to make?

Mr. BOSWORTH. Yes, I would.

Senator BURNS. Thank you. Proceed.

## SUMMARY STATEMENT OF DALE N. BOSWORTH

Mr. BOSWORTH. Mr. Chairman and Senator Dorgan: I also am pleased to be here to discuss the President’s fiscal year 2006 budget for the Forest Service. As Under Secretary Mark Rey mentioned, it is our centennial year in the Forest Service, 100 years of caring for the land and taking care of the national forests and grasslands and trying to serve the American people. It gives us a unique opportunity this year, I believe, to work with many of our partners and collaborators and critics to reflect a bit on the past, but more importantly to be looking to the future, to the next century of service. Together, we can figure out what kind of changes we need to make so that we will be able to continue to provide top-quality service to the American people in managing their forests.

In my opening remarks, I would like to touch on four themes very briefly. Those are: the budget, the tight, austere budget that we are in; some efforts to improving efficiency under way; better visibility and collaboration for the agency; and our efforts at integrating our work more effectively.

So first, in regards to the budget situation, we at the Forest Service recognize that we have a responsibility to help reduce the deficit, which results in some very difficult choices that we need to make. There are tradeoffs obviously that come with those choices, and we have worked hard at identifying those tradeoffs and trying to mitigate those so that we can continue to produce high-quality services.

We have kept our focus on the top priorities. The top priorities are reducing the risk of catastrophic wildfire and continuing to improve forest health conditions.

Now, in terms of efficiency, for the 4 years that I have been in this job, we have been focusing on trying to get more and more dollars, and a higher percentage of our dollars, to the ground where the job can get done. There are two areas of efficiencies that we keep focusing on. One is in natural resource management, getting more efficient with the National Environmental Policy Act, developing environmental impact statements, and our consultation efforts with Fish and Wildlife Service and NOAA Fisheries. You have given us a lot of help through the Healthy Forests Restoration Act. The Administration has helped with the Healthy Forests Initiative. We have stewardship contracting that you were key to getting us

a pilot and then the full authority. Those things have helped in that area.

The other aspect of efficiency is in our own internal operations, our business management practices. We have been focusing on improving them and the result is, as has been mentioned before, that we are no longer on the high-risk list from GAO and we have had several clean audit opinions.

We would be unable to sustain those clean audit opinions if we did not make some significant changes in how we are organized. Therefore, we have opened up a service center for financial management in Albuquerque, New Mexico, and we are in the process of moving people to that service center. We are going to be doing the same kind of efforts with information technology and we are also beginning the process of moving people to Albuquerque in our human resources area. We expect to reduce about 1,300 full-time equivalents, FTE's, when we complete all of our reorganization for the business management areas. We expect to save about \$91 million a year when we are fully implemented.

So those changes together will make a big difference in how we can deliver the services that people want. We are also making some reforms in facilities management and we will have some proposals regarding these reforms that we can discuss more if you wish.

I believe that making these commitments and implementing these changes, although they are difficult for the organization, will result in a higher percentage of our dollars getting to the ground to get the work done.

In the area of visibility and collaboration, we need to improve and to continuously improve our ability to work with the public in a very visible way. There are several areas. Probably the first would be in the areas of partnerships. We have done a good job in partnerships in my view, but we have great opportunities to improve that.

In fiscal year 2004, we had about \$500 million worth of work that we got from partners, both in cash and in-kind work, doing things on the ground. That was matched with about \$500 million of our funds, totaling \$1 billion of work on the ground that we were doing through partnerships. We can increase that.

Our new planning rule that just came out in December requires independent audits at the end of the year for each forest through an Environmental Management System. That will allow people to know whether or not we are doing what we say we will do and whether or not we are getting the results on the ground in the way that we said we would do.

We will increase our monitoring and that will allow us to make some adjustments based upon what we learn from the monitoring and what we learn through those independent audits. I believe that will increase our public involvement and it will also increase the visibility of our work.

In the area of wildfire, wildfire protection agreements that we have in communities help us to work better together with the communities. We have wildfire protection agreements with over 600 communities now.

The Federal Lands Recreation Enhancement Act allows for recreation advisory councils. Once again, that will be an opportunity for

us to work closer with the public in determining if, when, where, and how we should be collecting fees.

As far as integrating our work to provide for healthy forests, in fiscal year 2006 the Forest Service will reduce fuel hazards by 2.8 million acres. About 1 million acres of that will be accomplished with non-hazardous fuels funds, from things like wildlife habitat improvement dollars, timber stand improvement dollars, and sale of forest products dollars. The idea is that if we place those projects in the right places, we can accomplish both the timber sale objectives as well as fuels treatment objectives, or habitat improvement objectives as well as fuels treatment objectives.

So our line officers are now achieving multiple benefits and multiple goals by focusing integrated treatments in the right places.

We believe that by integrating work, we will improve our efficiency and we will in the end accomplish more work on the ground.

#### PREPARED STATEMENT

So in closing, I am looking forward to working with you. I appreciate this opportunity to discuss our budget. Again, it is a tight budget and we expect to deliver our programs by focusing on priorities, by improving our efficiency, and by integrating our work. I would be happy to answer any questions you might have. Thank you.

[The statement follows:]

#### PREPARED STATEMENT OF DALE N. BOSWORTH

##### INTRODUCTION

Mr. Chairman, Senator Dorgan, and members of the Subcommittee, thank you for this opportunity to discuss the President's fiscal year 2006 Budget for the Forest Service. I am privileged to be here with you today. I want to express my appreciation for the support this Subcommittee has given the Forest Service to improve the health and sustainability of the nation's forests and rangelands.

I am pleased to discuss the President's fiscal year 2006 Budget request for the Forest Service, which totals \$4.07 billion in discretionary funding. It emphasizes the top priorities of the agency, especially the President's Healthy Forests Initiative, that are essential to improving the sustainability and health of the nation's forests and rangelands. First, I will discuss the future direction of the Forest Service. Then, I will describe our efforts to reduce wildfire threats and costs. For the remainder of my testimony, I will highlight programs and legislative proposals that reflect new directives or shifts in emphasis for fiscal year 2006.

##### FUTURE DIRECTION OF THE FOREST SERVICE

This year the Forest Service celebrates its 100th anniversary. We are commemorating a century of caring for America's national treasures. One hundred years ago, America's first forester, Gifford Pinchot, recognized that "our responsibility to the Nation is to be more than careful stewards of the land, we must be constant catalysts for positive change." This advice was true in 1905 and remains a guiding light now in 2005. Change is inevitable. This is why the Forest Service is committed to being a catalyst for positive change into our next century of service.

Congress created the Forest Service as part of a national strategic response to the degradation of watersheds and the substantial loss of forests and wildlife that was occurring at a rapid rate during the last half of the 19th century. Let me briefly reflect on how much has changed since the Forest Service was established in 1905. During the last half of the 19th century, the U.S. population had more than tripled and forests were being cleared for agriculture at an average rate of 13.5 square miles per day. Wildfires were burning 20 to 50 million acres a year between 1880 and 1930. These fires, as well as unregulated hunting and logging, were threatening long-term economic and environmental values. In fact, these activities were tolerated and even encouraged in the name of economic development, but it had become increasingly clear that what was going on was unsustainable.



Establishing the Forest Service in 1905 created a direct response to these threats. This response has been successful. The decline in U.S. forestland has stabilized and forest acreage is now about what it was in 1905. In fact, forestland in the Northeast has actually increased by 26 million acres since the Forest Service was established. Areas burned by wildfire have declined 90 percent since the 1930s. Forest growth has exceeded harvest since the 1940s. Tens of millions of acres of cutover lands that existed in 1905 have been reforested. Many of these are now mature forests whereas other reforested lands have been harvested a second time and are starting a new cycle. While some wildlife species continue to face threats, many others that were greatly depleted or nearly extinct in 1905 have increased dramatically, such as Rocky Mountain elk and wild turkey.

The Forest Service has played a key role over the past 100 years in creating the changes that have touched our landscapes. In January, the agency convened a Centennial Congress in Washington D.C. to discuss these changes and the future 100 years of the Forest Service. Delegates to the Congress examined issues ranging from engaging the public in land management decisions to rewarding forest owners for carbon sequestration, delivering clean water, and providing other multiple-use benefits. We discussed how American society shifted from rural and agrarian to urban and industrialized. This in turn influenced the mix of uses and values the public seeks from its public lands. Today we see increased demands for recreation, greater consumption of natural resources, and mounting pressure on public lands from new development. Yet, at the same time, the public is expressing greater concern over the need for sustainable resource management.

This historical shift places us in a conservation era that focuses on ecological restoration and long-term sustainability. We must manage the land for long-term ecosystem health and sustainable uses while meaningfully engaging the public in our decision-making. Land managers must be adaptable, innovative, and welcoming of new information, ideas, and perspectives. In the end, to be that constant catalyst for positive change in this era, the Forest Service must be more collaborative, accountable, and efficient in managing our natural resources.

In the face of constant change, Americans must examine their consumption choices as an important aspect of sustainable development and ecosystem health. The United States consumes more wood than any other country. We also consume far more timber than we produce. The Forest Service has an opportunity to promote sustainable wood production and consumption. For example, Americans build roughly 1.5 million single-family houses each year, which consume roughly 22 billion board feet of lumber. At the same time, we lose approximately 17 percent of this amount to fire each year, which is equivalent to 250,000 new houses. We also lose a significant amount to insects and diseases. If we could salvage some of this lost wood, without compromising ecosystem health, we could help minimize our need to import wood. When imports encourage illegal or unsustainable environmental practices abroad, then there's a problem. This is why the Forest Service is assisting the State Department with implementing the President's initiative against selling illegal logs. The goal of the initiative is to combat illegal logging and the sale of illegally harvested timber products. But, minimizing consumption from foreign forests is only part of the equation. If we want healthy and resilient ecosystems and communities, then we need intelligent consumption balanced with sustainable management of our nation's forests and rangelands.

#### WE ARE IMPLEMENTING A LONG-TERM STRATEGY TO REDUCE WILDFIRE THREATS

Restoring fire-dependent ecosystems is the long-term solution to reduce the harmful effects of catastrophic wildfire. Restoration work involves eliminating the build-up of hazardous fuels so that natural fire regimes may be reestablished. The results of this effort may, in some cases, take several years before we begin to see significant changes in the way fire burns across the landscape. The President's Healthy Forests Initiative (HFI) is helping us tackle the process gridlock that was impeding the restoration of fire-adapted ecosystems, including the treatment of hazardous fuels.

In support of the HFI, the President's Budget dedicates \$281 million to treat 1.8 million acres for hazardous fuels. An additional 1 million acres will be protected as part of other natural resource management activities. Since 2001, Federal land management agencies have treated 11 million acres of hazardous fuels on public lands. The Forest Service and the Department of the Interior (DOI) agencies exceeded our program goals by accomplishing 2.9 million acres of hazardous fuel reduction for 2004, including 1.6 million acres in the Wildland-Urban Interface (WUI). Fifty-seven percent of these treatments were in the WUI.

Another part of our long-term restoration strategy is to treat the right acres, in the right place, at the right time. Consistent with the President's recent Executive Order on Cooperative Conservation, the Forest Service is working closely with State forestry agencies and other partners to coordinate fuel treatments and to provide technical and financial assistance to reduce hazardous fuels on State and private lands. We are also enlisting the assistance of local communities. The Forest Service is working with coalitions of interested citizens to identify those areas in greatest need of hazardous fuel treatments. This collaborative effort includes helping communities complete Community Wildfire Protection Plans (CWPP). To date, over 600 such plans have been completed or are in progress across the nation. The number of plans will continue to grow as partnerships are formed and high-risk areas are identified. A consistent and systematic interagency approach will have a large-scale impact on reducing the size and severity of catastrophic wildfires. In addition, in fiscal year 2005, a handful of pilot projects supported by our Research program will test the strategic placement of fuel treatments on the behavior and effects of wildland fires. If this is effective, we will be better positioned to design and locate treatments to make a difference in the size, behavior, effects, and costs of fires. This integrated approach will maximize our investment in fuel treatments and allow us to build more integrated fuel treatment strategies with our partners.

The expanded stewardship contracting authority provided by Congress is another key feature of the President's Healthy Forests Initiative goal of reducing catastrophic wildfire threats by making treatment of the land more cost-effective and collaborative than ever. For example, it allows contractors to make economic use of materials removed during restoration or thinning projects. This incentive promotes efficient land management practices and creates business opportunities in local communities. Using the stewardship and general contracting authority that Congress included in the Tribal Forest Protection Act (Public Law 108-278) enacted last summer, Indian tribes have the opportunity to enter into agreements with the Secretaries of Agriculture and the Interior to achieve additional fuels reduction work on federal lands adjacent to their reservations. We are working with the Bureau of Land Management and Tribes on implementation guidelines for the Act.

In all, we have a multi-faceted approach to tackling wildfire threats. Stewardship contracting, collaborating with partners, and strategically treating hazardous fuels are just a few examples. With your continued support of our hazardous fuels program and the HFI, we can have a long-term impact on minimizing the threat of catastrophic wildfire.

#### WE ARE LOOKING FOR NEW WAYS TO REDUCE WILDLAND FIRE SUPPRESSION COSTS

In addition to reducing wildland fire threats, we must also reduce fire suppression costs. The President's Budget proposes a \$51.6 million increase above the fiscal year 2005 enacted amount for wildland fire suppression. This reflects the most recent 10-year average for suppression costs, which are on an upward trend. Despite going into the 2004 fire season on the heels of continuing drought and dry fuel conditions, the fire activity resulted in a below-average year across most of the Nation. Alaska, the lone exception, experienced its worst fire season on record with 703 fires and 6,517,200 acres burned. The lower 48 States experienced 61,873 fires that burned 1,394,144 acres. We attribute this less severe fire season to more favorable weather, fewer dry lightning storms, and to achieving initial attack success rates of over 99 percent.

Despite this relatively "good" fire season, the agency still expended \$726 million on wildland fire suppression. The Forest Service will continue to focus on reducing wildland fire suppression costs through incentives for efficient funds management, effective supply chain management, and rapid demobilization of incident response resources. The President's Budget provides additional incentives for reducing suppression costs by allocating suppression funds to the field and authorizing use of unobligated wildfire suppression funds for hazardous fuels treatment. Thus, a line officer's success in reducing suppression expenses can be rewarded through the availability of more funds to reduce hazardous fuels. Additionally, the Forest Service will work with the independent panel that was established by Congress to assess the agency's management of large wildland fires. The panel's first report on the fiscal year 2004 fire season will be completed soon.

#### RESEARCH GUIDES OUR DECISIONS AND DELIVERS NEW SOLUTIONS

In addition to these efforts, hazardous fuels reduction is critical to minimizing wildland fire suppression costs. Creating market-based incentives for the removal of this "biomass" is an important aspect of the agency's Forest and Rangeland Research program. The President's budget includes a \$10 million request for capital

improvements in our Forest Products Lab, which has been a world leader in developing innovative products made from wood and other forest materials. Maximizing use of forest biomass can complement forest management, provide jobs in local communities, and offer a renewable energy source for our country. The agency's Research program is critical for developing new technologies that make economic use of unmarketable and other salvageable forest materials while meeting our resource management needs. For example, the Lab developed a new composite material for residential siding made of recycled plastic and wood from juniper and salt cedar, two tree species that contribute to hazardous fuel loads in the Southwest. Biomass utilization offers a host of opportunities, many of which are yet to be discovered. For this reason, we are pleased that the President's Budget includes such an important investment in our country's future.

The President's Budget also includes a \$12.8 million boost in research to fund the Forest Inventory and Analysis (FIA) program to cover 100 percent of America's forests with an annual inventory. The FIA is the Nation's only forest census, which has been keeping track of the heartbeat and other vital statistics of America's forests for roughly 75 years. FIA is the only program delivering continuous and comprehensive assessments of our forests in a nationally consistent manner across all land ownerships. Policy and programmatic decisions hinge on what the census tells us about forest health. The FIA's up-to-date monitoring, coupled with cutting-edge research and our State and Private Forestry programs, also play a key role in addressing the emerging threat of invasive species. The FIA is critical to assessing our current progress in implementing our Invasive Species Strategic Plan. Moreover, FIA information will feed into the two national Early Warning System Centers that we are establishing in fiscal year 2006 to identify, detect, and rapidly respond to environmental threats, such as invasive species, diseases, insects, and fire.

#### OUR NEW PLANNING PROCESS IS MORE FLEXIBLE, EFFICIENT, AND RESPONSIVE

Our future forest planning efforts will focus more on emerging threats, such as invasive species, wildfires, and unmanaged recreation. To meet these challenges, the Forest Service recently published a planning rule that offers greater flexibility for land managers. The rule establishes a dynamic planning process that is less bureaucratic, emphasizes science, and provides more opportunity for public involvement earlier in the planning stages. Moreover, land management plans must be more strategic, transparent, timely, and cost-effective.

This new planning process directs each forest and grassland unit to adopt an Environmental Management System (EMS), which is an adaptive management tool designed to provide feedback to land managers on all phases of land decisions. A key feature of the EMS requires independent audits of our agency's performance at 5-year intervals to ensure that we are achieving the plan's goals. The EMS will ground our decisions in science and strengthen our accountability.

Public involvement in our decisions also makes us more accountable. This is why the rule requires opportunities for public involvement at four key stages in the planning process. The rule also establishes a pre-decisional objection process that replaces our agency's costly and lengthy appeals process. These new features encourage the public to participate with land managers in the early planning stages to resolve any issues and concerns. This will be less adversarial than in the past where some people waited until after a final decision to make their concerns known by filing an appeal. Under the old rule, it typically took 5 to 7 years to revise a 15-year land management plan, and in the case of one forest, cost as much as \$5.5 million. Under the new rule, a plan revision will take approximately 2 to 3 years and cost much less.

#### WE CAN REAP MULTIPLE BENEFITS FROM PRESERVING OPEN SPACE

The President's Budget dedicates \$80 million to the Forest Legacy Program, which will protect an estimated 300,000 priority acres in fiscal year 2006. This program is an excellent tool for reducing the loss of open space and saving working forests. This program is successful, in part, because it places the important decisions of how and where to protect open space in the hands of States, local governments, individual landowners, and non-profit partners. Protection of open space serves multiple purposes that go beyond the obvious benefit of supporting biodiversity, maintaining scenic beauty, and preventing conversion of land to undesirable uses. More open space directly encourages and supports working forests, working farms, and working ranches. This is a value-added benefit that makes it profitable to maintain open space. We need to maintain "working forests"- those that are managed to produce economic and environmental benefits. Study after study shows that con-

servation of forests is one of the best methods for keeping our drinking water safe and clean.

Another key to this program's success is that it leverages millions of dollars at the local level. For example, each Federal dollar typically leverages an equal amount in non-Federal contributions. Since 1992, a \$197 million Federal investment has protected over \$381 million of land value, encompassing over 1 million acres through conservation easements and land purchases. We hope that you will continue to support this important program.

The President's Budget also proposes an increase of \$5 million for the Forest Stewardship Program, which provides planning and management assistance to thousands of America's private forest owners. Federal funds are leveraged by contributions from State forestry agencies that deliver this program. The improved forest management that results from this program benefits all Americans by providing a full range of ecosystem services, including clean water and air, habitat for wildlife, and forest products.

#### WE HAVE NEW APPROACHES TO TACKLE THE PUBLIC'S GROWING RECREATION NEEDS

National forests and grasslands are an integral connection between the American public and their desire to experience the great outdoors. The Forest Service hosts more than 200 million recreation visitors each year. Reconciling this demand within the limits of maintaining sustainable ecosystems is becoming a greater challenge each year. To address this issue, we are looking at a variety of new approaches to keep us in the forefront of meeting visitors' expectations of having safe and enjoyable recreational experiences. Last year, President Bush signed into law the Federal Lands Recreation Enhancement Act. This Act allows the Forest Service to charge modest fees at recreation sites that can be used to help maintain and improve the recreational experience of our visitors. The vast majority of recreation sites and services will continue to be free for activities such as horseback riding, walking, hiking, and general access to national forests and grasslands. The Act also establishes citizen recreation advisory committees that will provide important input on implementation of the fee program. We look forward to working with these committees and Congress to ensure that the public is fully involved and fees are fair for the value received.

In the past several years, I have noted that unmanaged recreation, particularly with respect to off-highway vehicle (OHV) use, is a major challenge to our national forests and grasslands. The age of Americans being able to drive anywhere on National Forest System lands has come to an end. Over the last 3 decades, ownership of OHVs in the United States has grown from 5 million to 37 million vehicles. National forests are experiencing an explosion of user-developed trails beyond our agency's capacity to manage or maintain. Some of these unauthorized trails are causing unacceptable resource damage. In response, the Forest Service recently published a proposed regulation on management of motor vehicle use on national forests. The regulation would require forests to work closely with local communities to designate roads, trails, and areas open to motor vehicle use and specify allowable use by vehicle class and time of year. Motor vehicle travel off of the designated system would be prohibited. The agency is currently developing the final rule, which is expected to be published later this year.

#### WE NEED TO REVERSE THE TREND OF DETERIORATING FACILITIES

Our backlog in deferred maintenance for our infrastructure continues to be a challenge. This backlog is especially critical for facilities that provide recreation opportunities to the public, as well as our administrative sites where employees work and provide services to the public. It is appropriate that we look for solutions beyond appropriations to tackle our deferred maintenance backlog. For example, this budget proposes a new incentive-based approach to reduce our maintenance backlog for administrative sites and visitor centers. Moreover, the President's Budget proposes new legislation that authorizes the Secretary of Agriculture to sell or exchange administrative sites that are no longer needed for National Forest System purposes. The legislation will facilitate the timely disposal of administrative sites and free up dollars to invest back in existing or replacement facilities. It will also provide for the use of a working capital fund for the performance of routine maintenance. These reforms will assist the agency in maintaining and improving the quality of its facility assets.

WE HAVE MADE GREAT STRIDES IN PERFORMANCE AND FINANCIAL MANAGEMENT  
ACCOUNTABILITY

The Forest Service will continue agency-wide efforts to improve performance and financial management accountability in fiscal year 2006. We have already made significant progress toward this goal. I am proud to report that the Government Accountability Office removed the Forest Service from its "high risk" list because we achieved a third consecutive "clean" audit opinion and are implementing significant organizational changes that ensure sustainability in financial management. Not only is this an important accomplishment for our agency, but it demonstrates our serious commitment to make continued improvements in financial management, as well as build efficiency into other administrative areas that have been burdened with outdated policies and decentralized processes. While I am pleased with our financial management improvement, I must also acknowledge that attaining this milestone simply means that we are now balancing our checkbook—something the public should expect as the norm. Keeping the checkbook balanced will allow the agency to better focus on its natural resource management functions.

Our Financial Management Improvement Project is moving forward as planned. Later this month, the new Albuquerque Service Center will be operational, with phased implementation throughout this fiscal year. This new center will provide financial and budgetary services to the agency using performance standards that focus on customer service, efficiency, and data quality. With full implementation of financial management reforms, the Forest Service anticipates that it will realize a \$35 million in annual savings. Additionally, when other reforms are implemented, the annual savings will increase to \$91 million.

A key element of quality financial management is the ability to link funding and expenditures to the strategic goals of the agency. In response to the Budget and Performance Integration initiative in the President's Management Agenda and the Government Performance and Results Act, the Forest Service is presenting an improving performance-based budget year after year. In fiscal year 2004, the Forest Service completed a new strategic plan. This planning blueprint has helped the Forest Service and its field units develop programs of work that address our natural resource needs while maximizing limited resources and improving performance accountability. The strategic plan was the driving force in making budget decisions and requests for fiscal year 2006. With important system enhancements, the Forest Service will be able to provide project-specific information about fiscal year 2006 expenditures with direct linkage to our strategic plan's goals and objectives.

To ensure that the Forest Service's annual activities are appropriately aligned with its Strategic Plan, the agency is making effective use of the Program Assessment and Rating Tool (PART). The PART process has been used in the past to develop more effective performance measures and emphasis in programs, including wildland fire management, capital improvement and maintenance, Forest Legacy, and invasive species. Two additional programs will be evaluated in support of the fiscal year 2006 President's Budget.

CONCLUSION

The President's Budget for fiscal year 2006 delivers funding for innovative approaches as well as long-standing programs that have served the land and the American public well. The President's Budget also demonstrates that the Forest Service must use incentive-based approaches to reduce costs and accomplish its mission. We must continue to work closely with Federal and non-Federal partners to leverage alternative funds to accomplish our program of work. As I said at the beginning of my testimony, we must move forward with a renewed interest in collaboration, efficiency, and accountability as we enter this new century of service. We must be rapid responders, but we must also respond to change with great care. After all, we are the trustees of America's greatest natural resources.

Thank you for this opportunity to discuss the President's Budget. I look forward to working with you to implement our fiscal year 2006 program and am happy to answer any questions you may have.

Senator BURNS. Thank you. Thank you a lot, Chief. We appreciate your statement. We appreciate your good work on the task. Of course we realize that we are on a tight budget up here also.

## GRAZING

I want to bring up one thing that still kind of concerns me. We talk about healthy forests and we talk about removal of fuels, and I think we have done a lot to move in that direction and we have accomplished a lot. I noticed in the budget that you cut \$3.4 million out of your budget for processing of grazing allotments. Now, I want to remind our good friends this: Every place that we have grazing, we have less fires. I think the grazing permits can be thrown right in there with healthy forests or fuel or fire prevention and should be moved up in the priorities. Instead, we have given you categorical exclusion to help you increase and to deal with those permits.

They are not moving any faster that I can see, and now we are cutting budget from it, which, I think, does a couple of things. The program keeps an industry alive, and it keeps your forest in a management-type mode where we can prevent fires and provide additional fuels reduction.

I do not see you making that connection on how important this really is. It is a natural thing. It does not cost us anything. We, in fact, get a few dollars back for it.

Mr. BOSWORTH. Mr. Chairman, the numbers that were calculated to show how many allotment management plans we would complete were calculated prior to the time that we had the opportunity to use categorical exclusions. Our expectation is that we would be able to increase significantly the number of allotment management plans each year, from about 400 probably up to around 750 allotment management plans each year, with the use of the categorical exclusion.

So that would be about 300 additional each year for the next 3 years. If we are able to complete those even faster than the 3 years and we got the total of 900 completed that we have the authorization for, we would be back asking you for some additional help. But categorical exclusions are going to go a long ways toward achieving what you are concerned about, I believe.

Mr. REY. That reduction is a reflection of our expectation that our unit cost to do grazing lease renewals will be reduced slightly through the use of the categorical exclusion. So that was a reduction we took, not to reduce outputs, but in recognition of the fact that we could produce a higher level of outputs more efficiently, given a very tight budget.

We do understand and appreciate that grazing plays an important role in fuels reduction. In fact, in some of our national forests, particularly the ones in the Los Angeles Basin, we let grazing leases out to maintain fuels levels in fuels breaks for that purpose. It is a fairly inexpensive way to maintain fuels at a certain level in a fuel break, and grazing animals help us in our fuels reduction and fire reduction risk purposes, with one exception. We had an escapement on a wildfire 2 years ago in the Angeles National Forest where one of our goats was indirectly involved, because it was an escapement from a pagan worship ceremony where they were sacrificing a goat and the fire got away. So in that case the goat did not help, but normally they do.

Senator BURNS. Well, I would think that maybe you would hang onto this \$3.4 million and accelerate the number of permits that you could work. I would hope you could do that. But to cut back if you are more efficient—I do not have any problem with being efficient. Therefore, we ought to see the increased numbers of permits being worked and issued. That is what I am getting at.

I would say, I got the biggest kick out of—I drove on the back side of the University of Montana a couple years ago and there were two big truckloads of sheep being unloaded out there. They were going up on Mount Jumbo. Well, these people standing around, these little environmental people who have been trying to get livestock off of public lands all these years, said: We found a new way to control leafy spurge and spotted knapweed, and we are paying the people that own the sheep to graze this off.

I said: By golly, wish I had thought of that. I did not want to throw any dampness on what they were trying to do, but we know that it works, and it has to be part of our activities to prevent forest fires. If one occurs, the suppression is much easier. We have seen up in the Big Timber area where a fire just got all the way up to a grazing lease and then it quit right there. So we think it is pretty important.

I am pleased with your leadership on the audit. I think that was very important because we had a long time here trying to figure out what in the world was going on down there and how we were using the money. I applaud you for integrating your systems of accounting and also the moving, using broadband, centralizing your bookkeeping, and all of that.

So that tells me that we ought to be a little more efficient when we start dealing with grazing, forest stewardship, and forest health. With the categorical exclusion that we have got in place for you, those should move along a lot faster than I think they are moving along right now.

I would yield to my good friend from North Dakota.

#### NOXIOUS WEEDS

Senator DORGAN. Mr. Chairman, let me again thank the witnesses for their testimony. I indicated previously that I would submit some questions for the record. As the Chief knows, I will once again want to inquire about leafy spurge and weed control on lands that I believe we have a responsibility to control weeds on. I also want to provide some other questions for which we can get some answers.

Because of the debate on the floor at the moment on this live cattle issue from Canada, I am going to go over and participate in the debate and I know my colleagues, including the chairman of the full committee now, who has joined us will participate. So let me defer at this point and, Mr. Chairman, thank you very much for this hearing this morning.

Senator BURNS. I will be over to join you in just a little bit. Thank you, Senator Dorgan.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much for convening this hearing to review the Forest Service budget for the next fiscal year.

## HEALTHY FORESTS INITIATIVE

I notice in your statements both the Chief and the Under Secretary refer to the President's Healthy Forests Initiative. We were really pleased that we were able to support the President's initiative and get legislation passed implementing many of the suggestions that the Administration had made.

## HEALTHY FORESTS RESERVE PROGRAM

I am concerned about one aspect of the budget request, though, and that is the fact that there is no funding provided for the Healthy Forests Reserve Program. This was part of the Healthy Forests Initiative and we are hopeful that a way can be found to reallocate some funds so that that program can be funded.

What is the reaction that you have to that problem? Has there been any conversation within the Forest Service or in the Department about reprogramming or in some other way making available funds for the Healthy Forests Reserve Program?

Mr. REY. There have been some conversations. They have not involved the Forest Service. They have been held at the departmental level. The reason for that is that in the delegation that occurred after the Act was passed the Healthy Forests Reserve Program was delegated to the Natural Resources Conservation Service because of its similarity to a number of NRCS programs like the Farm and Ranch Land Protection Program and the Grassland Reserve Program.

We are in the process of writing the regulations—that is, NRCS is in the process of writing the regulations—for the Healthy Forests Reserve Program. We expect that they will be out in proposed form shortly. It is our expectation that we will complete those regulations contemporaneously while we are working on this 2006 budget and at some point as that occurs we would be happy to sit down with the committee and talk about some reallocations of funds to provide funding in the Healthy Forests Reserve Program.

Senator COCHRAN. Good. We would appreciate very much your assistance in helping to find a way to see that funds are allocated to that program, even though it may not be within your budget. Your influence could help.

Mr. REY. Actually it is, because the NRCS is the other agency I oversee. So you are complaining to the right person.

Senator COCHRAN. Okay. We also know that under the law we passed, we encouraged more resources be made available for pest infestation problems research, particularly into better ways to combat diseases in our forests. This not only applies to our Forest Service lands, those under your direct jurisdiction and responsibility, but also private forests. I think insects do not know whether they are on private land or public land when they start their work. There is a lot that can be done by our Government agencies to help private landowners. In our State, most of the land is in private ownership and so I am hopeful that the Forest Service and the Department will continue to keep that in mind and help lead the way in developing new management and treatment methods that they can share with private landowners.



Mr. REY. We have several of those under way now, mostly in the Southeastern States. I know we have some in Georgia and some in Arkansas. I do not recall offhand whether we have any projects in Mississippi. But what we would be happy to do is submit for the record a complete list of the projects so far that were developed under I think it is Title IV of the Healthy Forests Restoration Act. [The information follows:]

TITLE IV—SILVICULTURAL ASSESSMENTS AND ACCELERATED INFORMATION  
GATHERING

Using authority provided under Title IV of the Healthy Forests Restoration Act of 2003, Forest Service Research & Development (R&D), National Forest System (NFS), Forest Health Protection (FHP), and State and Private Forestry (SPF) are working together and partnering with several universities and State forestry agencies to conduct landscape-scale applied research projects to address insect infestations and diseases that threaten the health of many of our forests and grasslands in the United States. The applied research projects aim to conduct and evaluate different land management practices that reduce problems associated with the current outbreaks of insects such as the red oak borer and southern pine beetle, and to translate that information for practicing professionals, landowners, and the public. These projects will be instrumental in mitigating the damage caused by these destructive insects. There are currently six silvicultural assessments underway.

Title IV also includes projects on accelerated information gathering on insects and diseases. There are currently six of these projects planned or underway, and one has been completed.

A complete list of Healthy Forest Restoration Act research and development projects, under Title IV—Silvicultural Assessments, and Accelerated Information Gathering, is below. A detailed description of each individual research project may be obtained at [http://www.healthyforests.gov/applied\\_research/index.html](http://www.healthyforests.gov/applied_research/index.html).

Silvicultural Assessments:

- Research and demonstration areas of silvicultural treatments for minimizing gypsy moth effects
- Hemlock woolly adelgid in the southern Appalachians at Otto, North Carolina (SRS-4351)
- Applied silvicultural assessment of upland oak-hickory forests and the red oak borer in the Ozark and Ouachita Mountains of Arkansas at Monticello, Arkansas (SRS-4106)
- Maintaining habitat diversity, sustaining oak systems, and reducing risk of mortality from gypsy moth and oak decline on the Daniel Boone National Forest: silvicultural approaches and their operational dimensions
- Applied silvicultural assessment (ASA) of southern pine beetle (SPB) in southern pine stands west of the Mississippi River (SRS-4106)
- Silvicultural thinning treatments for hemlock woolly adelgid (HWA) damage mitigation (NE Station)

Accelerated information gathering projects include:

- Response of bark beetle populations to wildfire and prescribed burning at Athens, GA (SRS-4505)
- Hemlock woolly adelgid in the southern Appalachians at Athens, GA (SRS-4505)
- Trapping systems for early detection of exotic beetles at ports-of-origin and ports-of-entry, and for detection and control of exotic and invasive beetles in urban landscapes and managed forests at Athens, GA (SRS-4505)
- Blacks Mountain interdisciplinary research project—Cone Fire assessment
- Stand and landscape visualization systems and remote sensing of forest vegetation structure
- Rapid response treatment strategies for public and private landowners in the South to recover from Red Oak Borer in the Ozark Mountains of Arkansas at Monticello, Arkansas (SRS-4106)
- Genetic diversity of western white pine (*Pinus monticola* Dougl.) revealed by genetic markers: Improving the white pine blister rust resistance breeding program and understanding the importance of natural regeneration after biotic and abiotic disturbances.

## HEALTHY FORESTS RESERVE PROGRAM

Senator COCHRAN. Thank you very much.

Mr. Chairman, thank you for the hearing and the good job you are doing as chairman of this subcommittee.

Senator BURNS. Thank you very much, Mr. Chairman. I will address you back as "Mr. Chairman" also.

## FOREST HEALTH

I think the chairman raises a good question on our research and the maintenance of our forests, especially with regard to insects. They do not know whether the trees are privately owned or owned by the Federal Government. No matter what the private people do in order to take care of their problem, if we do not take care of ours, theirs is an endless job and we never will get our arm around this.

So I think he raises a good question there and we should take a look at that.

Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

## LITIGATION COSTS

One of my main hobby horses that I continue to ride is the impact of litigation costs, both in the Forest Service and the BLM. We have had testimony from the BLM that litigation costs eat up something like 50 percent of their administrative budgets, and people keep filing delays, filing appeals, doing everything they can to use the courts to prevent what I consider to be sound management.

The Government wins something like 99 percent of all of these appeals, but the amount of administrative time spent dealing with them and legal fees spent handling it are great. The folks who file the protests really do not care about the merit of their position. They simply want to snarl up the whole process.

Do you have a sense or can you give us a summary of where these litigation costs are in the Forest Service?

Mr. BOSWORTH. Senator Bennett, I do not think I can give you a specific cost regarding our litigation costs. The situation for us is that every one of our projects in one way or another is affected by litigation, because we have to go through additional analysis, additional work, checking, double-checking—getting an administrative file that may be 6 feet tall if you stacked it on end—assuming we may get litigation.

So every project ends up being affected because we have people doing work and analysis and documentation that otherwise is not really necessary for a sound decision. They go through it in order to make sure that if they get litigated, they will have an opportunity and a chance to win.

So if you just took the actual cost of litigation per se, the specific amount of time we spend on it, it would not be a high percentage of our budget, but probably 50 percent of our time goes into planning and doing analysis and documentation in the event of that litigation. Then we often get appealed; we go through the appeals process and then we get litigated on a proportion of those.

So our concern has been how to reduce that level of analysis and work that we do so that we can make sound decisions and involve the public, but not have to have 10 boxes worth of administrative record to defend ourselves in court. It is very impacting in the end.

Mr. REY. I think that the costs break into three broad categories. There is the one we can quantify for you and submit for the record and that is the actual cost of the time spent in appeals and litigation. The second, which the Chief mentioned, is the collateral cost of working backwards for all the projects that are affected by litigation, adding additional analysis and process in the interest of litigation avoidance.

The third is the opportunity costs associated with projects that are time-sensitive that are delayed and ultimately changed as a consequence of the delay associated with litigation. In southern Oregon, for instance, we are in the middle of a matrix of lawsuits, which is probably the best way to describe it, on the recovery project for the Biscuit Fire, that burned in 2002, which was the largest fire in Oregon's history.

#### LITIGATION COSTS

Ultimately, by the time we sort our way through all the litigation—and so far we are winning the lawsuits; we are not losing them—much of the salvageable timber that we would have salvaged is going to be substantially less useful, if not worthless. The proceeds from that salvage were going to partially pay for much of the other restoration work that was going to be done on those sites to stabilize those watersheds on a long-term basis.

So as we lost that potential revenue source as an opportunity cost associated with litigation that we will ultimately win; at least we are winning so far, even in the Ninth Circuit. We are going to have to either forego the restoration work or pay for it out of appropriated dollars. So that opportunity cost is not inconsequential, particularly in projects that are time-sensitive by their nature.

Senator BENNETT. We are the Appropriations Committee and we have to come up with the money that you need to carry out your mission, and it is just very frustrating to me that such a high percentage of the money we come up with goes into what is essentially a totally nonproductive kind of activity. If you were losing your lawsuits, that would indicate that you were doing something wrong and that these people are watchdogs. But the fact that you win so often indicates, I think, that they are not watchdogs; they are dogs in the manger who simply do not want you to do your job and they are using the courts as a way to try to prevent it.

#### ENERGY

Let me turn my attention to the question of energy resources. There is a great deal of energy available in the Intermountain West, where I come from, and increasing attention is being paid to the potential of energy coming from Forest Service lands. There is some sense of frustration that land managers on the ground do not pay attention to energy development, they put it very much on the back burner. Do you want to address that and agree or defend or vigorously deny or whatever else you might have in mind with respect to this question?

Mr. REY. Well, I think I would offer an alternative perspective. If you look at our 2006 request from among the National Forest System accounts, what you will see is that one of the largest increases is for our minerals program. A good part of that is a reflection of the fact that we know that we have a backlog of opportunity there and a desire to be more efficient in reviewing the applications that we get for new development. We are trying to process those in an efficient fashion so that we can produce energy in an environmentally sensitive way.

Mr. BOSWORTH. If I could add just one thing to that, we are also putting significant effort into biomass and utilization of biomass, both in terms of research and finding places where we can utilize some of that material to help reduce energy needs for this country.

#### PLANNING RULE

Senator BENNETT. Land management plans. We have talked here before about the Dixie National Forest and how again, back to the first subject, protests and petitions and so on have prevented us from saving the Dixie Forest from devastation by the beetles. People say: Gee, if human beings go in there, somehow they will taint the forest. The fact is, the beetles are there destroying the forest and human beings, if they were there, could do something about it, somehow that is okay. If nature kills the trees, the trees deserve to be dead, but if human beings kill the trees and turn them into houses, somehow that is evil. I do not support that view, but there is that view.

Can you talk about improvements to the LMP that are coming as a result of the new rule you adopted in December 2004?

Mr. BOSWORTH. Yes, I would be happy to do that. As you said, in December we finalized our planning rule. We have been operating under the old planning rule that was developed in 1982, so you can tell that is quite outdated and it was time to make some significant revisions, in our judgment. So the new planning rule that we have does several things.

First, I believe it will allow for better public involvement. It is going to be shorter. We will get it done quicker. We estimate that under the new planning rule we will be able to complete a forest plan revision in 2 to 3 years. Under our existing time frame it has taken us 8 to 10 years to complete a 15-year forest plan.

By having it shortened, I believe that it will allow people to be much more engaged and much more involved. The average person cannot be involved in a forest plan if it is going to take 8 or 9 years to get it done. The people who are being paid can. The people from the timber industry or the livestock industry or the environmental industry can be involved in it. But the person down the street who wants to go out with his family and enjoy the national forests cannot stick with it.

So I believe that is one major change I think will help. It will also cost less money if we get it done quicker.

I believe it will also provide for better environmental protections. The reason I say that is because we have an Environmental Management System that we will put in place that requires an independent audit of the forest each year and that will show whether or not we are doing what we said we would do and whether or not

we are getting the outcomes that we said we will get. We will increase the amount of monitoring that we are doing, so that will allow us then to make adjustments based upon what we have learned.

So the whole notion would be, instead of trying to guess what might happen by doing an analysis up front, we will do adequate analysis, but we will put our emphasis into after we have implemented for a year; then we look and see what actually happened and learn from that and make adjustments. That makes more sense to me. I think that will provide for better environmental protections.

I think it will also increase the visibility of our projects by having independent auditors looking at what we are doing and involving the public in that.

In the end, all of our decisions will be science-based. The planning rule requires using the best available science. Our analyses will be reviewed by our scientists to make sure that we are actually interpreting the science correctly.

So those are the major changes that I think will end up with a much better process that will be more acceptable to the public.

Senator BENNETT. Thank you.

Thank you, Mr. Chairman.

Senator BURNS. Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

#### RED CEDAR EXPORT POLICY

I am concerned about a few things here that I read in the budget. For instance, there is a request that we change the prohibition against export of Alaska's red cedar to give the right of first refusal to the timber industry and then to allow its export. Just how would that work? Are you going to set the price and if they take it they can buy it; if not, are you going to export it? I do not understand that mechanism.

Mr. REY. That is basically how it would work. This would be an opportunity to——

Senator STEVENS. Well, you have got a timber industry on its knees because of the work of extreme environmentalists in our State and they cannot afford to meet the bid of people in foreign countries that do not have the environmental restrictions that we have. That is a no-brainer. I do not understand who came up with that.

Mr. REY. No, this is an attempt to help the industry in Alaska to market the red cedar, which they do not manufacture in Alaska, but to also give the opportunity for the industry in the Puget Sound to get access to those logs. The way that the system is supposed to work is——

Senator STEVENS. All we did was prohibit the export, Mark. We did not say you could not sell it to Seattle. They can still sell it to Seattle if they want to buy it. I do not understand that language at all. I would urge you to look at it and give us a paper on what it really means. I have been around that industry for a long time and I never saw such a proposal, that our people can buy it if they meet your price, is what you are saying.

Mr. REY. No. What we are saying is that the producers in the Puget Sound area get a right of first refusal at a set price.

Senator STEVENS. No. The language says first refusal to the Alaska timber industry. Check it, will you?

Mr. REY. Okay, we will check on that.

[The information follows:]

Senator Stevens is correct, since the Alaska timber industry would be making the initial purchase.

#### KAKE LAND EXCHANGE

Senator STEVENS. Second now, we provided \$2 million to facilitate what was known as the Kake Land Exchange. You want to strike that language. Why?

Mr. REY. I think the exchange is complete, is it not?

Senator STEVENS. Again, take a look at that. I do not understand that either.

[The information follows:]

#### KAKE LAND EXCHANGE

In October 2000, Congress enacted the Kake Tribal Corporation Land Transfer Act (Public Law 106-283, Kake Act), an amendment to the Alaska Native Claims Settlement Act (ANCSA). The statute provides for the reallocation of lands and selection rights among the State, Kake Tribal Corporation, and the City of Kake in order to protect and manage the Kake municipal watershed.

The Kake Act provided that if the State relinquished its selection rights to 1,389 acres of Federal lands in Jenny Creek, and if Kake Tribal Corporation and Sealaska conveyed 1,430 acres of non-Federal lands to the City of Kake, then USDA would convey the surface estate of the 1,389 acres at Jenny Creek to the Kake Tribal Corporation and the subsurface to Sealaska.

The lands conveyed to the City were encumbered by a conservation easement granted by Kake Tribal to the Southeast Alaska Land Trust to provide for the perpetual protection and management of Kake's watershed. Thus, the Act authorized "such sums as may be necessary to carry out this Act, including to compensate Kake Tribal Corporation for relinquishing its development rights [in the lands encumbered by the conservation easement] and to provide assistance to Kake Tribal Corporation to meet the requirements of subsection (h) [the timber export restriction]."

In fiscal year 2001, the appropriations legislation provided \$5 million for this purpose. The Alaska Region determined the value of the timber rights Kake Tribal Corporation relinquished to be worth at least \$5 million and transferred the funds. Kake Tribal Corporation commissioned a market analysis that indicated the Corporation lost \$18 million in revenues. This amount was not verified or accepted by the Forest Service using standard market value estimates. In subsequent fiscal years (fiscal year 2002 through fiscal year 2005), Congress appropriated additional lump sum payments to Kake Tribal for implementation of the Act. A total of about \$13 million has been allocated to Kake Tribal (subject to rescission percentages). The Forest Service believes that the Kake Act has been fully implemented.

#### TIMBER SALE PIPELINE

Senator STEVENS. We proposed that there be \$5 million be put in to funding for the EIS's on Alaska timber sale to ensure that there would be a stable supply of timber, the so-called pipeline amendment, to put some timber in the pipeline so it would be there and the EIS's would be cleared in advance so people knew what they were bidding on. Right now you bid on it and then the EIS comes along and it is stalled for 2 years. Your money is tied up for 2 years and your industry dies.

Now, what is wrong with our approach?

Mr. REY. The problem is litigation, but not the funding of the EIS's.

Senator STEVENS. Well, you strike the money, \$5 million for the pipeline money. Again, I want you to look at that. I cannot believe you would strike that \$5 million. The Forest Service concurred with us that we should find a way to get the EIS's completed before a timber sale.

Mr. REY. We can take a look at that.  
[The information follows:]

The President's fiscal year 2006 budget includes up to \$4 million specifically for allocation to the Alaska Region for the purpose of preparing timber pipeline volume which is in addition to its normal allocation.

#### ALASKA RAILROAD

Senator STEVENS. One was provided for—\$1 million for the activities on the Chugach that relate to the partnership between the Chugach people—as you know, it is a regional Native corporation—and the Alaska Railroad. Why did you strike that money?

Mr. REY. It was our understanding that that was a 1-year project. If there is a continuing need to carry that forward, that is something we should talk about.

Senator STEVENS. What this finances is stops made in Forest Service area, by the Alaska Railroad. Maybe you should understand what it is about. It was in order to increase the recreation opportunities in the forest area by financing the stops that are necessary. You understand? We have an Alaska Railroad. It does stop. It is like a Toonerville Trolley. It stops in advance if you tell it where to stop.

If the people know it is going to stop in the forest, they will build the recreational facilities for those stops in your Forest Service area. Again, I look at this, I cannot believe that the people who prepared it—I hope this is part of OMB's additions to your proposal and not the Forest Service. If not, I suggest you station some people up in Alaska to learn a little bit about my State, okay?

Mr. REY. Okay.

Senator STEVENS. I will tell you, a kind letter will follow this.

#### ALASKA FIRE SEASON—2005

As you know, the last year was about the worst fire season we have ever seen. At one time there were 6.6 million acres burning. For 15 days the EPA rated the air quality in Fairbanks as dangerous and hazardous—at 10 micrograms per cubic meter. People were told to stay indoors, to avoid exertion. Older people had to be moved out of the city.

I received reports that these fires could have been diminished, but you lacked resources to fight fires in my State, whereas you were fighting fires of 100,000 acres in the lower 48. Now, tell me, who makes that decision that you can't fight fires in Alaska?

Mr. REY. Those decisions are made by the incident commanders on site in charge of the fires, and no incident commander in Alaska was denied any resource request that he posed.

Senator STEVENS. This was reported in the paper now and was reported to us in my offices in Alaska that the Federal agencies lacked the resources, manpower, and equipment to handle these fires because they were so large. They could handle minor fires, but they could not handle large fires. Now, you know, some time ago

the environmental community came to me and said: God made the fires and God made the forests, so you should not interfere with God. Is that the proposal now, we are going to let fires in Alaska burn?

Mr. REY. No, not at all. We trust the incident commanders in charge of fires, whether they are Alaskan fires or whether they are fires in the lower 48, to decide what the attack strategy on those fires is going to be and call for the resources that they need. And in Alaska this year——

Senator STEVENS. Well, then I shall call, ask the committee to call the people who made the decisions in Alaska to come tell us why they did not fight those fires. 6.6 million acres of Federal forest burned and the fires went on for 20 days.

Mr. REY. It was a record fire season in Alaska.

Senator STEVENS. They tell me, because all the winds are bringing all the snow down this year, it is going to be a record fire season again.

Mr. REY. It is setting up to be another one.

Senator STEVENS. There are 2.2 million acres of beetle kill in the Anchorage region. We have not been able to cut it and if it is as dry this year in Anchorage as it was in Fairbanks last year, it could well consume the area that has half the population of my State. You know I live right in the middle of it, right?

Mr. REY. I think the difference here is that if cities like Anchorage or Fairbanks or even small communities are threatened, our incident commanders will adopt a much more aggressive and resource-intensive strategy.

Senator STEVENS. Now you are saying that if there are not any people around you let the timber burn?

Mr. REY. We do that in the lower 48 as well. We let it burn under prescription if we know that there are no property or human lives that are threatened. That is not unique to Alaska.

Senator STEVENS. Over 6.6 million acres of timber can burn and you just sit by?

Mr. REY. We do not sit by.

Senator STEVENS. You did not try to contain it.

Mr. REY. We make sure that we can extinguish when it is an immediate threat to human life or property.

Senator STEVENS. Well, you know it was right to the edges of the National Missile Defense area at Fort Greeley, do you not?

Mr. REY. There were contingency plans to make sure it did not——

Senator STEVENS. I remember going down to New Mexico where it came right up on Los Alamos because of a decision not to fight it about 12 miles away and the fire got away.

I tell you, I do not think you understand. Someone has got to take a look at this. You just cannot let fires burn because you never know where they are going to go if they really get bad.

Mr. REY. We do not just let fires burn. Where we have fire management plans that we can let them burn with some confidence under prescription——

Senator STEVENS. Well, I ask you to check it.

Mr. REY. We can do that.



Senator STEVENS. Last, I was told that we do have the Fire Jumper School in Alaska in Fairbanks and during this period, those fire jumpers were out of the State fighting other fires elsewhere.

Mr. REY. If that is the case that is because they were not called for by the incident commanders that were in charge of fighting the Alaska fires.

Senator STEVENS. Mr. Chairman, I ask you to call that person to come testify before this subcommittee this year.

Senator BURNS. We will track him down.

Senator STEVENS. I do not accept the position that fires should be left totally to go and just rage in an area like ours just because we are so big. We have one-fifth of the land mass of the United States. Half the Federal lands of the United States are in our State. You are making the decision those half are subject to different conditions than you would make in other States.

Mr. REY. No, we are applying essentially the same standard in Alaska that we are applying in the lower 48.

Senator STEVENS. But if the resources are not there to fight them, how are we going to fight them?

Mr. REY. That is the issue I think we are still trying to assess, as to whether the resources were there to fight them.

Senator STEVENS. That is the issue I would like to set. I tell you, 6.6 million acres burning in a period of 20 days has got to be examined. It may be that current needs of the United States do not need that timber, but it takes a lot, lot longer to grow timber in Alaska than elsewhere. You agree to that?

Mr. REY. In that part of Alaska, sure.

Senator STEVENS. Particularly in that part of Alaska, in the Interior. It is a slow growing season. We have a long season, but it is slow growth because of the shallowness of the roots. Once they burn, it takes years. That whole area now is just stark. It looks like you are going through a part of hell when you drive through it.

I really urge you to get him up here because someone has got to answer why there was not a greater attempt to stop those fires.

Thank you, Mr. Chairman.

Senator BURNS. Thank you.

Senator Feinstein.

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

As one of the co-sponsors of the Senate Healthy Forests bill along with you, Mr. Chairman, Senator Cochran, Senator Craig, and Senator Wyden, I am very concerned by cuts in this budget. It is my understanding that the budget proposes a 54 percent cut in cooperative fire assistance, a 30 percent cut in forest health management on State and private lands, a 13 percent in cooperative forestry, and elimination of the economic action plan which helps businesses economically remove hazardous fuels.

#### HAZARDOUS FUELS REDUCTION FUNDING

In contretemps to this, funding for hazardous fuel reduction on Forest Service lands increases from \$263 million to \$281 million. It seems to me that the way this is imbalanced gives short shrift to what we, Mr. Rey, tried to accomplish in the Healthy Forests bill, and I want to ask a couple of questions.

It is my understanding that the Forest Service has the capacity for an additional \$41.4 million in hazardous fuel reduction on private lands, four or five times as much as the approximate \$8 to \$10 million in the fiscal year 2006 budget for these purposes. In addition, there is capacity for an additional \$15 million in hazardous fuel reduction on State and private lands. So my question is, this reading would indicate that the budget falls far short of the amount needed to move ahead at full speed to reduce the risk of catastrophic fires, certainly in southern California.

Mr. REY. I am not sure where the capacity numbers come from, but clearly there is greater need for fuel reduction work on non-Federal lands than the 2006 budget provides funding for. I think we can agree on that. As I said in my opening statement, as we moved to put together our budget under the Healthy Forests Initiative and the Healthy Forests Restoration Act, we put together a budget request that focused more heavily on Federal lands than on non-Federal lands, and we did that for three reasons.

First, we are the only ones who treat Federal lands. We are the only ones who can treat Federal lands. There is no other unit of government that is going to provide money to treat our Federal at-risk lands, either in the wildland-urban interface or outside it.

Second, if you look across the country, I think it is a fair assessment to say that by and large the Federal lands are in worse shape than the non-Federal lands. Our fuel loads are heavier.

Senator FEINSTEIN. Except, let me stop you here. It is my understanding from my staff that what you have done is essentially move the activity to the cheaper areas and away from the wildland interface areas.

Mr. REY. No, we are actually increasing the amount of treatment done in the wildland-urban interface as compared with previous years. But we are focusing on the Federal lands within the wildland-urban interface, as opposed to the non-Federal lands within the wildland-urban interface. And wildland-urban interface acres are on the average more expensive to do, so you get less acres per a set investment than you would outside the wildland-urban interface because you have to go more heavily to the mechanical treatment.

The third reason that we focused on Federal lands may be the most important, and that is as we worked with our partners in the firefighting community at both the Federal and State level, we identified other funding streams that are available to our non-Federal cooperators, in some cases with better delivery systems than our own.

For example, the USDA Rural Development program had a \$300 million or so grant program last year using Farm bill funds to provide assistance to first responders. That is money that we are going to try to get to our rural firefighters. FEMA has a \$700 million program to assist firefighters at the State and local level.

Senator FEINSTEIN. I guess what I see, Mr. Rey, we gave a lot of attention—Senator Conrad was there, Senator Burns was there—as to how we set up this bill to be able to move aggressively in certain areas on fire. We had big discussions. It seems to me that what you are doing is shorting part of our problem and moving the money to other places, and that concerns me.

Mr. REY. I think I agree with the disproportionate distribution of revenues over the whole of the problem, because we are emphasizing Federal lands over non-Federal lands. It does not follow, however, that in making that emphasis we are moving the treatments away from the wildland-urban interface and into other areas. The treatments are still proportionately focused in the wildland-urban interface. About two-thirds of our treatments in 2006 will be in the wildland-urban interface.

But even on a forest with as much non-Federal land as, say, the San Bernardino—

Senator FEINSTEIN. That is what I was going to mention.

Mr. REY [continuing]. What we are saying is we are going to put our initial emphasis—our proposal to you, I guess I should say, is that we put our initial emphasis on treating the Federal lands on the San Bernardino, because we are the only ones who can and will do that.

Now, that is obviously a discussion we are going to continue to have over the appropriations process. Last year you reduced what we requested for hazardous fuels, so in that sense you reallocated to hit non-Federal lands.

Senator FEINSTEIN. Not me, not for reducing.

Mr. REY. No, you did not reduce the overall effort, but you made us switch from Federal lands to non-Federal lands. Not you specifically, but the Congress generally.

Senator FEINSTEIN. Well, take for example the bark beetle forest that is dry and deteriorating very rapidly, which is part on Federal and part on non-Federal land in the San Bernardino National Forest. Does this mean you treat the Federal land and you do not treat the rest of it?

Mr. REY. No, what it means is we think there are other mechanisms for funding the non-Federal portion of the treatment and we want to make sure as we allocate our priorities that we can do our part of it. So on the San Bernardino or on another forest in a similar situation, what we would try to do would be to work with the local communities, identify what funding streams they have available, but make sure as we did that, we have enough to do our part of it.

In some of these forests, they are using funding streams from the Secure Rural Schools and Community Self-Determination Act to do the non-Federal lands treatment. We do use hazardous fuels dollars to help with the development of community-based fire plans that cover both Federal and non-Federal lands. So we are not walking away from the non-Federal lands. What we are trying to do is to strike the right balance to make sure that if you look across all of the funding streams available that we can do a treatment that is effective because we treat both in a strategic fashion and not get to the point where all of the non-Federal land is treated and the private landowners then look to us and say: Well, what have you guys done?

Senator FEINSTEIN. I guess my concern—and let me just say this to my colleagues who were there. If you will recall, we spent a lot of time trying to work out a balanced formula and I think we did. We took a lot of flak from environmentalists who said, they are just going to turn this thing around. I do not want that to happen.

I think that what the intent was and what we did should be carried out by the Department. I think it is a real point of major integrity that we work, that the cooperative fire plans—I attended a meeting in August in the Tahoe Basin with all of the fire communities. I am going up there again. They have all worked very hard to do their cooperative fire plan and to see that the funding remained so that that can get done.

I think it would be really very tragic if what some people said would happen with that healthy forest plan happens, because we tried to see that it was a balanced approach and that we did the right thing by the urban-wildland interface.

Mr. REY. I think we are all committed to making sure that approach works and what we have to do as we go through each budget cycle is try to make sure we get the right amount of funding in each program area.

Senator FEINSTEIN. All I know is what my people tell me and they tell me that the way this is worked out shorts California and it moves the money to cheaper areas to do forestry work.

Mr. BOSWORTH. I would like to respond to that, Senator. As Chief of the Forest Service, I get a number of different recommendations from my folks saying, well, here is how we ought to allocate it around the country. When they are looking at these recommendations from time to time, they say: Well, you know, it costs more money to do business in California; we ought to put it in the wildland-urban interface than some other place.

So often when they are making those considerations, those considerations become available for other people to look at. All I want to tell you is they are not decisions until I make them. I am happy to have those considerations, but in California, even though we had some recommendations to do some different things based on cost per acre, we put the dollars in California where they were needed and we kept the program at the level and will continue to be giving a high priority for California.

Senator FEINSTEIN. Well, I had whispered in my left ear, where I am a little bit hard of hearing, that they did this year, but what about next year?

Mr. BOSWORTH. Well, I am sure that I will get recommendations from folks again with a variety of different choices in how we ought to do it. But I am still going to be the one that makes the decision and I am very concerned about those wildland-urban interface areas in California. They are more expensive. It costs more to do business.

Senator FEINSTEIN. I understand that. But I cannot help that in any way. That is the way it is.

Mr. BOSWORTH. Neither can the Forest Service folks that are in California, because it is just a higher cost of doing business. So we are going to continue to find the right balance, but I just do not foresee ending up shorting the areas there that have the critical wildland-urban interface with national forest land all around them.

Again, we will continue to always look at different choices, but I just cannot foresee a decision that would make significant reductions in California.

Mr. REY. The good news, I guess, in terms of this is that our regional foresters are arguing passionately to get more money to do

this work, and your regional forester is among the most aggressive and passionate.

Senator FEINSTEIN. Good, we like that. Thank you very much.

#### COMMUNITY FIRE PLANS

Let me go to the community fire safe councils. It is my understanding that communities get about \$40 million I requests from the fire safe councils and that there is some additional money available through the county payments legislation which Senators Craig, Wyden, and I are working on to try to get reauthorized. How are we going to implement the fire safety councils plan in the face of these budget cuts or proposed budget cuts?

Mr. REY. Well, we do fund some of the fire planning work through hazardous fuels dollars, which has not been cut. It has actually been increased. So there is some assistance there. The money that is provided under the Secure Rural Schools and Community Self-Determination Act is from a mandatory account, so that money will continue to flow as well.

So we have been so far able to keep up with the community fire planning process. There are about 600 that have been developed so far, which is actually pretty impressive because it has only been 13, 14 months since the bill's enactment, and those are up and running. I think so far we have been able to keep up with the desire of the communities for assistance with their plans.

Senator FEINSTEIN. All right. Well, we will watch and see. That is for sure.

#### ADAPTIVE MANAGEMENT—SIERRA NEVADA FRAMEWORK

Let me just say that I understand you were instrumental in working out an agreement between the Forest Service and the University of California on an adaptive management plan for the revised Sierra Nevada Framework. I just want to congratulate you on that. I think it is important to have that independent review.

Can you explain to us how you envision this working?

Mr. REY. Sure. I will take the first cut at that, but the Chief and, more notably, the regional forester will probably be much more articulate about the details.

It is being set up as a three-part agreement between the State, the Forest Service, and the University of California at Berkeley. In the Forest Service there are two entities involved. There are the national forests of the Sierra Nevada region and then there is the Pacific Southwest Forest and Range Experiment Station at Berkeley.

The University of California will do monitoring of the treatments that we apply for fuels reduction purposes in a number of sites that are going to be selected by the university in conjunction with the State and the Forest Service, and that will be part of our active monitoring program that we do as we move forward to implement the Sierra Nevada Framework.

As the results of that monitoring are made available, the university will analyze it. It will be available for public review. The primary purpose of it, I guess to state it as simply as I can, is that we will be evaluating whether the treatments that we have specified accomplish the results that we desire and just those results.

We want to evaluate whether they are effective in fuel reduction and that there are no unanticipated or unintended consequences as a result of implementing.

If we find that either they are not effective or there are unintended consequences of a negative nature, then that work will form the basis for subsequent amendments to the Sierra Nevada Framework. The University of California and the State, for that matter, but primarily the University of California, will provide an independent certifying capability to see that the Sierra Nevada Framework works as we hope it will.

Senator FEINSTEIN. I think that is very interesting. It is going to be interesting to see how it works out. Let me just commend you.

Do you have anything to add, Mr. Bosworth, to that?

Mr. BOSWORTH. The only thing I would add is that it is critical for us to have a monitoring system that has public credibility. When you look at a plan like the Sierra Nevada Framework, it is fairly controversial, so there are differences of opinion on all sides. The future for us is going to be in effective monitoring, and often using independent outside parties to help us do that monitoring and evaluation, to do the kind of adaptive management that we need to do in the future.

That is really what this is about. So this approach has the potential to be a model for some other places if it works. I do not have any reason to believe that it would not work well.

Senator FEINSTEIN. Well, it is certainly a hot issue. Let me just commend both of you. I think it is a very interesting project.

#### QUINCY LIBRARY GROUP

Let me ask the last question on the Quincy Library Group. What actions has the Forest Service taken to ensure that the QLQ project will meet the intent of the law in future years? Really what I am getting at is the planned program of work in the remaining years of the project.

Mr. BOSWORTH. The budget proposal would maintain the base level of funding for Quincy Library Group. Every opportunity we get, we put more money into it if we can. So in fiscal year 2005, this fiscal year, we were able to scrape up even some additional dollars to put into QLQ to do some additional work.

The funding proposal for 2006 would be the same level as it was for 2005 and that was enacted for 2005 and the same that it was for 2004. As I said, if there is excess money somewhere—which there is not usually a lot, but from time to time there will be dollars that will not get spent as effectively in another forest or another region—whenever we have the opportunity we will put some of those dollars into Quincy Library Group to ensure that we get the outcomes there that you had intended.

#### ROAD MAINTENANCE

Senator FEINSTEIN. Just one other quick question. In places of real road devastation, particularly in southern California, caused by the fires, are you going to be able to help with those roads? As has been stated, this is going to be another big fire year, I suspect, for southern California.

Mr. BOSWORTH. Right now we are assessing primarily the flood damage that occurred from the huge rain storms in southern California. We know that there was somewhere in the vicinity of \$35 million worth of damage to roads and trails, but we have not completed the analysis or the assessment. So what it will require is, at least to some degree, given the dollars that we have currently, that we would redirect where we can and do what we can to respond to that with the dollars that we have.

Mr. REY. Similarly on non-Federal lands, the Natural Resources Conservation Service is starting to get initial assessments of flood damage in the form of requests for emergency watershed protection money.

#### BARK BEETLE DAMAGE—SAN BERNARDINO NATIONAL FOREST

Senator FEINSTEIN. I am sorry. I said the last question. Just one more. I am really concerned with the San Bernardino Mountains and the bark beetle forest. The longer you leave the trees there, it seems to me, the worse it gets. How much of that infested acreage do you think you are able to treat this next year? Can you give me a percentage?

Mr. BOSWORTH. I do not think that I—well, let us see. I guess I can. Well, at least for fiscal year 2006, based on the—

Senator FEINSTEIN. Assume it is 1 million acre area.

Mr. BOSWORTH. Well, approximately 56,000 acres would be treated with hazardous fuels funds. The 2006 President's budget proposal would allow for about 56,000 acres. Now, the total area I think that has insect damage on the San Bernardino National Forest I believe is around 350,000 acres or 400,000. I could be wrong on that, though, and I would have to get you better information to be sure. Is it 400,000? That is in the neighborhood.

Senator FEINSTEIN. Then the rest of it. Are you saying that the rest of it is going to remain untreated?

Mr. BOSWORTH. Well, it really depends on where you locate the treatments. You do not have to treat every acre. If we locate our treatments in a strategic way, then that helps protect other areas from fire or insect disease. So it is critical that we locate our treatments in the right places.

For example, in a certain drainage, you may have a 100,000 acre drainage, but you may only need to treat 25 or 30,000 acres if you do it right, rather than every single one of the acres.

Senator FEINSTEIN. I guess the reason I am asking this is, as you know, there are homes all in the middle of this. I mean, it is the most complicated thing. I would like to ask that you work with us on how you are going to do this, to try to get the most bang for the dollars in the interface areas where private property is really at risk.

Mr. BOSWORTH. I would be very, very happy to work with you on that. I have flown over the area. I have been driven through the area. I have hiked through some of it, several times in the last 2 years. It is a very, very difficult area that is in a very, very terrible condition.

Mr. REY. I think most of the treatments are being laid out with the local communities through a task force that has been in existence for about 4 years down there. The best thing to do might be,

if you are going to be in that area at some point this spring, to just sit down with the task force people and have them lay out what the program of treatments are.

Senator FEINSTEIN. I will do that, but just generally, 57,000 acres out of nearly 1 million acres of infested forest is just a little bit. That is what I am most worried about, where we are going to get the funds to really be aggressive.

Mr. BOSWORTH. It is 56,000 out of 400,000. So it is still a small percentage.

Senator FEINSTEIN. Of Federal land.

Mr. BOSWORTH. Yes.

Senator FEINSTEIN. Okay, and not the non-Federal land.

Mr. BOSWORTH. Correct.

#### CONDITIONS IN MONTANA

Senator BURNS. If you would like to visit Montana we will show you some of that, you do not know what a problem is. Ours is bigger and we have got it up there. With that, your flood damage down there we would take a little of it. We need moisture. We have no snow and we just do not have a lot of moisture.

I am going to only take up one more question. We lost another sawmill this year, you know. Owens and Hurst went down. When we talk about her problems, we are losing our infrastructure and people who know how to work the forests. We lose 90 jobs up there and some allied jobs around that, that help us deal with the people who know how to operate in the forests, even on our fires and anything else.

So we have a big problem. Up there where they have diseases, we cannot get those trees out, or the small diameter trees. We retooled our mills to handle smaller diameter logs and now they cannot get them. It goes through the appeals business and all of that, even with hazardous fuels and healthy forests and forest stewardship.

So I am at a loss on how we are supposed to handle all of these things. I think probably when you start taking some of those trees out down there, you will probably run into some of the same problems we run into up in Montana. It sure gets in the way of good forest management.

They have just about covered all the questions I have up and down the line. I have a few more, but we can address those. We are going to see a little bit of a change in funds as we work our way through this budget, but we will come to agreement on that, I think, fairly quickly, and I appreciate all your work.

Senator Cochran, have you got other questions for this panel?

#### APPROPRIATION PROCESS

Senator COCHRAN. I was going to ask, Mr. Chairman, a couple of questions about the organization of the Forest Service in the Department of Agriculture and the challenge that that presents to you in responding to requests to testify at hearings of the Appropriations Committee. We just went through a reorganization of our subcommittees and made some changes in jurisdictional responsibilities in our subcommittees. You are a part of the Department of Agriculture and you are here testifying before an Interior Appro-



priations subcommittee. Do you also get called to testify before the Agriculture Appropriations subcommittee as well during the consideration of the budget request?

Mr. BOSWORTH. I do not get called for the Forest Service budget. I do not testify at Agriculture Appropriations. On occasion we participate in oversight hearings, but not from the Appropriations Committee on Agriculture.

From my perspective, it works very well working with the Interior Appropriations subcommittee.

Senator COCHRAN. Which subcommittee actually approves your budget request or provides funding for your activities every fiscal year?

Mr. BOSWORTH. Interior does, the Interior subcommittee.

Mr. REY. I typically appear before the Agriculture subcommittee, but for the Natural Resources Conservation Service.

Senator COCHRAN. Right, because you are also—you supervise the Director of the NRCS, do you not?

Mr. REY. Right.

Senator COCHRAN. Well, I am curious to find out how all this works in practice. When we start reorganizing things, sometimes it has an impact that we do not fully appreciate while we are moving responsibilities around among different subcommittees. I wanted to be sure we had not made some decisions here that made it harder for you to do your business or less efficient in terms of the time you have to spend up here on Capitol Hill.

Mr. REY. I do not think your reorganization will affect us either way.

Senator COCHRAN. Good. It suits you to continue the way that we are handling your budget request each year in terms of the committees that have jurisdiction over your hearings and writing the bill for you?

Mr. REY. I think so. The Forest Service and the Department of the Interior land managing agencies have enough comparable programs that it probably is a benefit to look at them as a whole. So I think it probably works just fine.

Senator COCHRAN. Good.

We thank you for the good job you are doing. We hope that the implementation of the National Forest Initiatives through the law that we passed is moving along the way we anticipated. You were very active in that, Mr. Rey, and we appreciate your personal involvement in coming up here to the Hill to meet with Senators as we were working our way through that.

#### HEALTHY FORESTS RESTORATION ACT

Is the law living up to our expectations? Is it really giving you the tools to better manage our forests and make sure we achieve our goals?

Mr. REY. I think it has been so far.

Mr. BOSWORTH. I would like to respond to that. In fiscal year 2004, the amount of work that we got done far exceeded anything that we had done in the past in terms of fuels treatment, for example. I think that as time goes on and our folks get more adept at using the new tools and opportunities that we have through the Healthy Forests Restoration Act, they will get even better. Those

kind of things help us a lot, and we are going to continue to always look for more improvements and ways that we can modernize our processes. We may need help in the future on some other things, but so far, so good.

Senator BURNS. Thank you very much.

Thank you, Mr. Chairman.

Mr. REY. Probably one other insight to share with you about that is that, aside from the words in the statute and the programs that emanated from it, one thing that I did not anticipate is how much more enthusiasm we found at the field level in the Forest Service and, while I cannot speak directly for them, the Department of the Interior land managing agencies, as a consequence of Congress speaking affirmatively in enactment of the Healthy Forests Restoration Act.

That has had a material effect on how people at the ground level have felt about their activities and about their mission.

Senator COCHRAN. That is good to hear. Thank you for giving us that information.

Senator BURNS. That, Senator, would reflect pretty good leadership here at the top end. So I think Dale has done a great job and all of you have done a great job. In some areas we will always have conflicts. We will work our way through this budget and this appropriation. With your help, I think we will come to a very successful conclusion.

#### ADDITIONAL COMMITTEE QUESTIONS

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

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

#### QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

##### FINANCIAL ACCOUNTABILITY

*Question.* The Forest Service has received a clean audit opinion on its books for the last three fiscal years. The agency was also taken off the GAO's list of agencies at high risk of waste, fraud and abuse this year. The Forest Service is now drastically reorganizing its financial management systems by consolidating these functions in one location rather than having this work done throughout the Regions of the Forest Service.

Please explain how this reorganization will make your financial management systems better?

*Answer.* We were on the high risk list because we lacked accountability over billions of dollars in two major assets: Fund Balance with Treasury and property, plant and equipment.

We believe these efforts, when implemented effectively, will provide stronger financial management, sustain positive audit results, and ensure compliance with federal financial reporting standards. We will be able to sustain this improved, more efficient, and more accurate operating model.

Beginning in December 2001 and continuing throughout 2002 we developed a corrective action plan, brought in contract resources to supplement agency staff, made system improvements, performed property appraisals on major real property assets, reconciled all asset and liability accounts and adjusted the agency's accounting records to reflect the results of this work. As a result of this effort, the agency received an unqualified audit opinion on its fiscal year 2002 financial statements; however, we had not yet proven we could sustain this outcome in future years. We had not reached the end goal of routinely producing timely, accurate and useful financial information.

In the past two years we made additional progress, especially with respect to addressing several long-standing material internal control deficiencies. We resolved material deficiencies related to fund balance with Treasury, and in property, plant and equipment, thus increasing accountability over billions of dollars in assets. We received unqualified audit opinions on our financial statements for fiscal years 2003 and 2004 thus demonstrating sustainability for three consecutive years.

Management has demonstrated a strong commitment to efforts that, if effectively implemented, should help to resolve many of our remaining financial management problems and move us toward sustainable financial management business processes. We have a corrective action plan that we are executing and we have demonstrated progress in addressing our financial management deficiencies. These efforts are designed to address internal control and noncompliance issues identified in audit reports, as well as organizational issues. For example, during fiscal 2004 we began re-engineering and consolidating our finance, accounting and budget processes to a central processing center in Albuquerque, NM. We previously operated in a decentralized model with over 150 accounting/budget centers located through out the regions (9), forests (130), stations (8) and area. The centralization effort began in March 2004. We have redesigned financial/budget processes to operate in a central processing center. The Albuquerque Service Center (ASC) opened on February 22, 2005. As of April 4 we have approximately 230 employees in the ASC with work and staff migrating thru January 2006.

*Question.* How much money does the agency expect to save through this reorganization?

Answer. The business case for this effort indicated a one time investment of approximately \$45 million to be spent mostly in fiscal year 2005 some small amount being spent in the 1st quarter of fiscal year 2006. The expected annual cost savings from this centralization effort are projected to be \$36 million. The investment payback period is approximately 1.7 years. We are well on track at this stage of the project at achieving these cost savings for the investment indicated.

*Question.* What will be the personnel impacts on the Regions by moving all these people to one location?

Answer. There were approximately 1,175 full time employees of whom approximately 1,055 were located in the regional offices (9), forests (130), stations (8) and area (1). There also were approximately 800 full time equivalent employees performing budget and finance work part time at the R/S/As. At the conclusion of this centralization effort there will be 305 field budget personnel and 47 field personnel engaged in operating the new Integrated Acquisition System. These 352 personnel will be located at the R/S/As. Thus there will be an approximate reduction at the Regions of 600–800 personnel depending on how many of the part time FTEs are reduced. The Albuquerque Service Center for Financial Management will employ approximately 400 people.

#### PLANNING RULES

*Question.* In December of last year the Forest Service released its final rule revising the forest planning regulations. The forest planning process has become far too costly and time consuming. Under the old rule, the agency was spending millions of dollars on forest plans that were taking 5–6 years just to prepare.

Please describe how these new planning rules will streamline this process?

Answer. The new forest planning rule will improve the way the Forest Service does forest planning. Land management plans under the new planning rule will be strategic in nature, and more timely and cost effective. The goal is to shift resources from extensive up-front planning, to a more balanced planning program where plans are revised quickly, and resources are shifted from planning to monitoring. With a more efficient revision process, we hope to get our resource specialists out of the office, and into the field.

The process will be streamlined mainly in three ways. First, the new rule promotes strategic plans. The planning process recognizes that effects cannot be meaningfully evaluated until the project stage. Therefore, the forest plan analysis doesn't typically need to be as detailed as in the past. Second, Forest Supervisors are encouraged to use an interactive, collaborative process to iteratively develop the proposed plan. This means not only is public involvement more meaningful, but the interdisciplinary team no longer needs to carry through three, four, five, or more full "alternatives" through the entire planning process. Rather analysis is needed only for the proposed plan and what narrower options remain after initial public involvement is concluded. Third, because new science, assessments, or other new information can be used immediately, plans will only need to be amended when the new information points to a need to change a plan component.

*Question.* Will the public still have a full opportunity to provide input to the Forest Service during the planning process?

*Answer.* Yes. Public involvement is emphasized in the 2004 rule. The Forest Service intends to continue working closely with our public to address any concerns that might arise with regard to the planning rule and during forest plan development.

*Question.* How much will the agency save in terms of time and money by implementing these new planning rules?

*Answer.* Although the agency will save time and money on plan revisions, the overall costs to the agency will not decrease because time and effort will be redirected to plan monitoring and plan amendments. Agency time and money will be used more effectively. The plan revision process under the 1982 rule has generally taken 5–7 years. Under the 2004 rule, we estimate that forest plan revisions will take approximately 2–3 years. This will enable the eventual shift of planning funds to activities which will keep the plans current.

#### MONTANA TIMBER ISSUES

*Question.* There is a real problem in Montana with being able to provide a stable supply of timber from the national forests. In January, it was announced that the Owens & Hurst mill in Eureka is going to close and 90 jobs will be lost. When timber mills close it is not only devastating to the people who lose their jobs and the economies of the towns they live in, it also damages the Forest Service's ability to deal with forest health issues, particularly hazardous fuels reduction. If there is not a market for the small diameter wood that is the main component of hazardous fuels on our nation's forests, we will never be able to afford to remove all these fuels with appropriated dollars.

What can the Forest Service do to improve this situation in Montana and other states where the supply of wood from our public lands is critical to keeping mills open?

*Answer.* Currently almost all regions have the capability to expand their timber sale programs, depending on the availability of funds. In fiscal year 2005, appropriated Forest Products funds were moved among some regions, in part to help address timber industry infrastructure. However, our ability to move funds among regions is limited by the fact that there are widespread priorities and community needs across the country. Moving limited funds to help one region affects our ability to address priorities in another region. Current Salvage Sale fund balances are limited and do not provide options for additional timber harvest.

Forest Products is not the only affected funding source, as increasing emphasis on timber activities in any place also generates additional needs for commensurate roads and land survey support.

The agency is discussing a change in the measure of success in delivering the timber sale program, using timber volume sold instead of timber volume offered, to put more emphasis on results.

*Question.* How many board feet do you expect to be able to offer this year compared to last?

*Answer.* In fiscal year 2004 the Northern Region offered a little more than 232 million board feet of timber for sale. The target for fiscal year 2005 is about 226 million board feet, which is a result of slightly less total appropriated Forest Products funds plus Salvage Sale Funds being available for the Region. The Region currently has about 262 million board feet of timber involved in appeals and litigation, and we are seeking solutions to move this volume forward to sale.

A nearly \$3 million increase in fiscal year 2005 appropriated funds for the Northern Region is being used to offset less Salvage Sale Funds being available due to lower collections.

The agency's fiscal year 2004 accomplishments showed an increase in volume offered for sale and volume sold over our estimate in the fiscal year 2004 President's Budget. This increase occurred in both live and dead volume. We anticipate a similar increase in both fiscal year 2005 and fiscal year 2006.

*Question.* Does the agency believe that it is critical that we maintain a robust timber mill infrastructure in order to deal with our hazardous fuels problem on the national forests?

*Answer.* Yes, a viable timber infrastructure is essential for accomplishing our agency's vegetation management objectives and restoring fire-adapted ecosystems.

#### GRAZING PERMITS

*Question.* There is a real problem with a backlog of expiring grazing permits that need to be renewed. Congress put a schedule in place for the renewal of these permits in the 1995 Rescissions Act. The agency's budget justification says that the

Forest Service is only getting done 50 percent of the work that you need to do each year. In the fiscal year 2005 Interior appropriations bill the Committee provided additional funds to address this problem and also provided a Categorical Exclusion from NEPA for grazing allotments that met certain conditions.

Has the Categorical Exclusion helped to increase the number of grazing allotments you expect to complete in fiscal year 2005?

Answer. The Forest Service will be able to accelerate the completion of allotment planning beginning in fiscal year 2005 through fiscal year 2007 due to the Congressionally authorized use of up to 900 categorical exclusions outlined in the Consolidated Appropriations Act of 2005 (Public Law 108-447). This helps the agency to a large extent, although at the present pace, the agency would complete about 85 percent (including the 900 under the categorical exclusion) of the scheduled allotment analyses and plans by 2010, the original scheduled end date.

*Question.* I see the fiscal year 2006 budget proposal reduces the program by \$3.4 million and the number of grazing allotments processed declines by 33 percent. Why is that when we have such a large backlog?

Answer. In addition to completion of grazing allotment NEPA analysis, the Grazing Management budget line item accomplishes other important work, including the management of grazing allotment acres to standard in accordance with forest plan standards and guidelines, development of new allotment management plans in concert with NEPA analyses, and performance of necessary implementation and effectiveness monitoring. The agency's initial focus on completion of NEPA work on approximately 317 allotments in fiscal year 2006 considered the need to balance overall grazing management program requirements with the 1995 Rescission Act schedule and other critical resource needs. With the grazing allotment categorical exclusion (CE) authority as provided in Section 339 of the fiscal year 2005 Consolidated Appropriations Act, the agency is refocusing its efforts in order to accelerate the number of allotments processed and decrease the backlog. A total of 400-600 allotments are expected to be analyzed with plans amended by the end of fiscal year 2005.

#### MAINTENANCE CUTS

*Question.* According to the proposed budget for fiscal year 2006, the agency has a backlog of deferred maintenance of over \$8 billion. But the budget proposes to cut the Capital Improvement and Maintenance accounts by \$134 million which is a 26 percent reduction.

Why is the agency cutting this account when the backlog of deferred maintenance needs is so high?

Answer. To balance National programs while reducing the overall Forest Service budget, some reductions to Capital improvement and Maintenance were necessary in fiscal year 2006.

The Forest Service expects to partially offset reductions to administrative site maintenance and construction with the enactment of the proposed Facilities and Land Management Enhancement Act. The Act will provide for the use of revenues from the sale of surplus administrative site properties. Another aspect of the legislative proposal is the creation of a working capital fund for administrative facility maintenance, whereby some maintenance costs would be funded through assessment to other programs. These proposals are not expected to fully make up for the difference between the fiscal year 2005 enacted facilities funding and the fiscal year 2006 request. Most of the reduction would come from capital investments.

Within the trails program, we plan to partially offset program reductions through the increased use of partnerships and volunteers.

*Question.* How are you planning to address this enormous backlog of deferred maintenance?

Answer. We anticipate that maintenance backlog will continue to grow; however, we have multiple efforts underway to help positively address backlog maintenance.

—Through proposed Facilities and Land Management Act, which would provide for the conveyance of administrative sites, we will eliminate the deferred maintenance liability on those facilities conveyed to other owners. At the same time those revenues would replace other deficient facilities or perform needed rehabilitation work on existing facilities.

—Developing a working capital fund (WCF) for all administrative buildings provides a direct incentive for local staff to reduce facilities and optimize their space requirements, because funds not used in maintaining facilities are available for other program needs.

- Through facility master planning and developed recreation site master planning efforts, we are identifying the optimum location, size and number of facilities we can sustain into the future.
- Through the Road Analysis Process, we are taking a realistic look at budgets and identifying roads that can be closed or eliminated, or the road standard downgraded.

## HAZARDOUS FUELS FUNDING

*Question.* The agency has increased the hazardous fuels reduction budget by \$19 million. Over the long term, the only way to reduce the severity of our fire seasons is by removing the excess fuels that we have in our forests. Recently, the GAO issued a report that stated that the Forest Service and the Department of the Interior had not issued sufficient guidance for prioritizing hazardous fuels reduction projects.

Given that the hazardous problem is so large and resources are scarce, the agencies must have a way of prioritizing the most important acres for treatment.

How would the agency respond to GAO's criticism that the Forest Service has not prioritized these projects nationally?

*Answer.* Hazardous fuels activities under the Healthy Forests Initiative, the Healthy Forests Restoration Act, and the National Fire Plan are coordinated between the Departments of Agriculture and Interior through the Wildland Fire Leadership Council. This coordination covers prioritization and overall general management objectives including accountability for activities and oversight of the development of measures of fuel condition. Fuel characteristics, fire regime, and vegetation are being assessed to assist in identifying areas where activities need to be prioritized. This information is used in addition to the criteria associated with wildland urban interface needs and needs for treatment associated with other critical areas such as municipal watersheds and protection of endangered species habitat.

In addition to the above criteria and management direction, our national fuels treatment program priorities are developed annually to utilize the latest science and information in cooperation with Department of Interior staff, and transmitted to regions, forests, and districts. That guidance shapes prioritization decisions at the individual National Forests and Ranger Districts, where fuel treatments are evaluated on a site specific basis. In addition, other resource treatments for wildlife habitat improvement, watershed, vegetation management, and recreation are also being designed to address fuels treatment needs. Those combined objectives can help address fuel reduction and condition class improvement goals. The timing and placement of these treatments on the landscape are evaluated with our partners at state, tribal, local, and other federal agencies. Many states have formal inter-agency groups to assist in this process and we actively promote such collaboration. Projects covered by a Community Wildfire Protection Plan are also given a priority and emphasize the diverse partners that play a role in the prioritization process. These collaborative partnerships are very well established and successful in some areas, and in other locations some of these relationships are still being formed. Allocation of funds to individual National Forests for these projects is at the discretion of the Regional Foresters.

Further approaches are being developed and field-tested that integrate all of the criteria and risks in an attempt to use the diverse data, needs, and objectives in a repeatable and methodological fashion.

*Question.* How many acres do you plan to treat in 2006 compared to 2005?

*Answer.* We plan to treat 1.8 million acres in both fiscal year 2005 and fiscal year 2006. In fiscal year 2005 we plan to treat at least 1,281,000 acres in the wildland-urban interface (WUI). The remaining acres will be treated outside of the WUI with an emphasis on highest departure from a reference condition for vegetation, fuels and disturbance regimes. Additionally, an estimated 700,000 acres will be treated as a secondary benefit of other land management activities.

In fiscal year 2006 we plan to treat at least 1,450,000 acres (80 percent) in the WUI. Additionally, the agency plans to have a fully integrated fire-adapted ecosystem restoration program that would generate an additional 1,000,000 acres from other land management programs.

*Question.* Can you explain your proposal to move the funding for hazardous fuels reduction from the Fire account to the National Forest System account?

*Answer.* The transfer of the hazardous fuels budget line item to the National Forest System (NFS) appropriation would provide better alignment with current Forest Service efforts to integrate all vegetation treatment activities. The majority of vege-

tation treatments and other related terrestrial and aquatic activities are funded with NFS appropriations.

*Question.* Why is this transfer necessary?

*Answer.* Currently, a high priority for the use of NFS funds and other related appropriations is ecosystem restoration, including restoration of fire-adapted ecosystems both previous to and after significant disturbance events (wildland fires, insect and disease epidemics, storm damage, etc.). An integral part of restoration includes identifying desired future vegetative conditions and designing treatments to achieve those conditions.

This proposed shift in appropriation would allow for better internal agency alignment of programs. As a result, we anticipate more integrated and efficient program management leading to the achievement of common vegetation objectives.

#### FOREST HEALTH PROGRAM CUTS

*Question.* The Committee is concerned about the large cut (\$29.5 which is equal to 29 percent) that is proposed in the fiscal year 2006 budget for the Forest Health program in State and Private forestry. This program helps to monitor and treat millions of acres of state, federal, and private lands for insects, diseases and invasive weeds.

How many fewer acres will be treated as a result of these cuts?

*Answer.* In fiscal year 2005, we plan to treat approximately 918,000 acres for control of insects, diseases, and invasive plants. In fiscal year 2006, our target is 656,000, a reduction of about 28 percent.

*Question.* How many acres nationally need treatment for insects and disease?

*Answer.* In fiscal year 2005, the national request for treatment projects for forest insects and diseases totaled 1.2 million acres and we were able to fund approximately 76 percent of that request. We expect the treatment needs requests in fiscal year 2006 to be as high or higher than those we received this year. The continuing drought in areas of the West will also increase demand for projects to treat acres at risk to western bark beetle attack. The treatment need for invasive plants control projects on state and private lands is on a steep upward trend; in fiscal year 2005 we were able to fund programs in 27 states.

#### STATE AND VOLUNTEER FIRE ASSISTANCE CUTS

*Question.* The state fire assistance program is very important in providing grants for equipment and giving technical assistance to local fire departments. The fiscal year 2006 budget request proposes to reduce this program by over \$22 million, which will almost cut in half the number of communities assisted by the program.

Is this a wise cut when frequently it's the local firefighting forces that are first on the scene of a wildfire?

*Answer.* Although the proposed funding in State Fire Assistance decreased the proposed funding for Volunteer Fire Assistance (VFA) remains the same as appropriated in fiscal year 2005. VFA funding is aimed specifically at building and maintaining fire fighting capacity in fire departments serving communities of less than 10,000 people. Rural and volunteer fire departments provide a first line of defense in coping with fires and other emergencies in rural areas and communities. These departments provide nearly 80 percent of initial attack on wildfires in the United States. We anticipate that maintaining current funding levels in Volunteer Fire Assistance will help maintain rural fire fighters capability to respond to National Forest fire emergencies as they have in the past.

*Question.* Isn't it true that other grant programs for firefighters through agencies like FEMA are not specifically for wildland firefighting so this is the only grant program for this purpose?

*Answer.* Although FEMA programs are not specifically aimed at wildland fire fighting capability and rural fire departments, those departments are not excluded from FEMA grant programs. They compete for grant funding with other fire departments.

#### FIRE READINESS CAPABILITY

*Question.* Over the last several years, the Committee has had some difficulty working with the agency on funding for the Fire Preparedness budget. This is the program that puts in place firefighters, engines, and other basic firefighting assets at the start of the fire season. In fiscal year 2005, the Committee had to add \$20 million to the request for preparedness in order to maintain the same number of firefighters and engines as the agency had in the previous year.

In the budget for fiscal year 2006, you have reduced the program by roughly a half million dollars, but your budget justification claims that you will hire more firefighters and deploy more engines. How is this possible with less money?

Answer. The agency will maintain a level of readiness approximate to that attained in fiscal year 2004. This level will be achieved through efficiencies implemented in the program leadership functions and agency-wide overhead.

*Question.* Can the agency assure the Committee that at the level of funds requested for fiscal year 2006 you can maintain readiness at current levels?

Answer. Yes, the Forest Service is committed to maintaining firefighting readiness comparable to the fiscal year 2004 level without sacrificing firefighter safety. An errata sheet was submitted identifying the Forest Service's resource capability consistent with the President's Budget and actions relative to the agency's airtanker fleet capability. The updated errata sheet specifies a capability comparable to the previous year. The content of that errata sheet is as follows:

- Employ 10,480 firefighters.
- Employ 399 prevention technicians.
- Employ 277 smokejumpers.
- Maintain 66 Type I crews (hotshot crews).
- Maintain 995 engines.
- Maintain 63 water tenders.
- Maintain 123 dozers.
- Maintain 29 tractor plow units.
- Maintain 86 Type I, II, and III helicopters for local mobilization.
- Maintain 7 Type II efficiency helicopters for national mobilization.
- Maintain 6 Type I helitankers for national mobilization.
- Maintain a fleet of up to 20 airtankers. However maintain the overall production capability of our prior fleet of 33 airtankers through the use of single engine airtankers (SEATS), Type I helicopters, and Type II helicopters.

#### AIR TANKERS

*Question.* In 2004, the Forest Service and the Department of the Interior were unable to use the majority of the large air tanker fleet for aerial fire suppression operations. The agencies replaced these aircraft with single engine air tankers (SEAT's) and helicopters. Eventually eight P-3 Lockheed aircraft were returned to the air tanker fleet and the agencies were contracting to review the service life of the remaining air tanker fleet.

What is the status of the reviews of the large air tanker fleet to determine their operational service life?

Answer. An operational service life for the P2V is currently being developed by Avenger Aircraft and Services. Contracts for the Douglas aircraft (DC-4, DC-6, and DC-7) are currently being negotiated.

*Question.* If the aircraft reviews have been started, when do you expect a final report on the operational service life of the aircraft?

Answer. A preliminary operational service life is scheduled to be available on June 1, 2005. This preliminary operational service life will provide enough information to determine if some aircraft can be returned to service. A final report will be available when operational loading data in the wildfire environment has been collected and an operational service life for the wildfire environment is determined.

*Question.* Will the final reports on the aircraft service life be completed before the start of the 2005 wildfire suppression season?

Answer. No.

*Question.* If the aircraft are not accepted, what are the plans for replacing the large air-tanker fleet and at what additional cost?

Answer. Short term plans for the 2005 wildfire season call for replacing large airtankers with helitankers, type I helicopters, and single-engine airtankers. We anticipate the cost of these resources will be comparable to 2005 airtanker costs.

*Question.* What are the long-term plans to modernize the air tanker fleet?

Answer. Long term plans to modernize the fleet include:

- Contractor-owned and operated aircraft such as the BAe 146 and Boeing 747.
- Government-owned ex-military aircraft such as the P-3 Orion and the S-3 Viking operated by contractors as government furnished equipment.
- Development of a purpose-built airtanker operated by contractors as government furnished equipment.

*Question.* What aircraft are being reviewed, what is the timeline to replace the existing aircraft, and what role will the existing aircraft companies on contract have in this future organization?



Answer. Aircraft currently under review are ex-military P-3 and S-3 aircraft. Replacement timelines vary from 6–14 months depending on the aircraft. Roles for existing airtanker companies may include possible contracts for airtanker conversions, maintenance, and pilot services.

#### FIRE SUPPRESSION COSTS

*Question.* The Committee is concerned about the rising costs for firefighting. The average annual cost of fire suppression for the Forest Service over the last 5 fiscal years (fiscal year 2000-fiscal year 2004) has been \$958 million. By way of comparison, in the 5 years prior to that it was only \$352 million. In the fiscal year 2005 appropriations bill the Committee included several measures to address these rising costs, such as putting in place an independent panel to review expenditures on large fires, and devoting personnel to analyzing the most efficient means to procure the hundreds of millions of dollars worth of supplies that are needed by the fire program each year.

Please provide the Committee with an update on how you have responded to these instructions from the Committee?

Answer. The answer is under review by the USDA's Under Secretary for Natural Resources and the Environment.

*Question.* Please describe what level of savings the agency might expect to achieve by putting these measures in place?

Answer. The agency is not prepared to make a definitive cost saving estimate, except for individual fires that have been reviewed. Because all fires are unique, projecting savings from a small sample across all large fires would not provide the information needed to target specific cost saving opportunities. However, completion of the cost benefit analysis and associated implementation strategy, the Office of the Inspector General's Large Fire Cost review, and the method of supply analysis should provide the foundation for such an estimate later this calendar year.

#### WILDLAND FIRE OUTLOOK FOR THIS YEAR

*Question.* The Committee is very concerned about the drought conditions that persist in Montana and much of the Interior West and what that will mean for this year's fire season. Mountain snowpack is at or near record low levels in parts of Washington, Oregon, Idaho and Montana.

What do the agency's fire models predict for this year's fire season in the Interior West?

Answer. The Wildland Fire Outlook—February through August, 2005 is per the National Interagency Fire Center's Predictive Services Group, and was issued January 26, 2005.



The outlook for this year's fire season shows above normal fire potential in the Pacific Northwest, Northern Rockies, the lower elevations of the Great Basin, and over much of Florida. Some key points of the upcoming season include:

- Mountain snow packs are at or near record low levels in portions of Washington, Oregon, Idaho, Montana and northwest Wyoming. This situation, combined with long term drought and vegetation mortality from insect damage, will increase fire potential in portions of the West.
- Winter storms have brought heavy rain and snow in California, Colorado, and the Southwest. This weather will help moderate the fire season in the mountains but will increase fire potential in the lower elevations of Nevada, Utah, and the California deserts, due to heavier concentrations of fine fuels.
- Florida has been drier than normal so far this winter. This situation, combined with downed trees from the 2004 hurricanes, will lead to the potential for an active fire season.

*Question.* Nationally, does the Forest Service expect a severe fire season in 2005?

*Answer. Alaska.*—Snowpacks are currently running near to well above normal over most of the state. However, snowpack plays only a small part in determining the intensity of the summer fire season. At this time, the fire season outlook calls for equal chances of an above, below, and normal fire season. If the late spring through June temperatures turn out to be warmer than normal, then the potential for an active fire season would increase.

*West.*—The abundant winter precipitation should result in a later start and the potential for a less severe fire season in the Southwest. The areas with the highest fire potential extend from the Cascades across Idaho and into Montana and northwest Wyoming. This prediction is primarily due to the very low snowpack and a warmer than normal spring forecast. However, there are still many unknowns; such as the character of the snowmelt and summer lightning pattern.

*South and East.*—In the South, the main area of concern is in Florida where a dry winter, downed fuel buildup from the hurricanes, and localized insect mortality have lead to the potential for an active fire season. The fire season in the East is expected to be normal to below normal, but may begin earlier than normal. This prediction is due to below average snow cover in north-central states which could make fine fuels available for ignition earlier in the season than usual.

## OFF HIGHWAY VEHICLE RULEMAKING

*Question.* The Chief has identified unmanaged recreation as one of the four major threats to our national forests. The agency plans to issue a new national policy dealing with the use of Off Highway Vehicles (OHV's) in national forests. Obviously, this is an issue which is very important to many of our constituents who use OHV's.

When does the agency expect to issue a final rulemaking on this issue?

*Answer.* The Forest Service hopes to issue a final travel management regulation in spring 2005.

*Question.* Does the Forest Service expect the rule to place much greater restrictions on the use of OHV's?

*Answer.* The proposed rule would require designation, at the local level, of roads, trails, and areas for motor vehicle use. Once designation is complete, the proposed rule would prohibit use of motor vehicles off the designated system. The proposed rule provides a national framework for local decisions—which routes and areas are designated for motor vehicle use would be determined at the local level, after public involvement and coordination with state, local, and tribal governments.

The proposed rule represents a shift to a designated system of routes, rather than open cross-country travel. This shift is called for due to the expansion of OHV availability and technology. The agency expects that some existing unauthorized routes would be designated, thereby increasing the system of managed motor vehicle trails. The agency anticipates that other existing unauthorized routes will not be designated, and use on these routes will be prohibited. Determining which routes fall into each category is a local decision.

*Question.* What has the agency been hearing from OHV user groups about the need for a national policy on OHV use?

*Answer.* The Forest Service received over 81,000 comments on the proposed regulation, reflecting a wide range of interests and points of view. Some respondents called for a ban on OHVs on national forests and grasslands, while others objected to any limits on OHV use. Many respondents, including several national OHV user groups, endorsed the concept of managing OHV use on a designated routes basis. Concerns were expressed about the agency's funding, commitment, and ability to enforce designations.

## NEED FOR SPECIAL FIREFIGHTING ALLOCATION

*Question.* Last year, the Committee was able to provide a special allocation of \$400 million to deal with the skyrocketing costs of the firefighting program and the impacts of heavy borrowing. These funds were available only after the agency had expended all of its regularly appropriated funds. The agency needed to tap this allocation for \$150 million in what was a pretty light fire season compared to what we have experienced over the last 5 years.

Was having this special allocation effective in terms of preventing the need to borrow from non-fire accounts?

*Answer.* The emergency supplemental funding for fire fighting allowed the agency to execute emergency fire suppression responsibilities without disrupting other agency programs. As you know we spent \$726 million in fire suppression, which exceeded the amount appropriated by \$125 million. We were able to make use of the emergency contingency rather than transfer from other appropriated accounts and helped lessen inefficiency and program disruptions caused by mid-season fire transfers.

*Question.* When the agency doesn't have to borrow funds from other programs is it able to determine how much more of the regular program of work can get done? For example, was the Forest Service able to offer more board feet for sale, or treat additional acres for hazardous fuels?

*Answer.* To underscore the benefits of avoiding fire transfer we note that we significantly exceeded key performance targets including Timber Volume offered (+110 percent), Hazardous fuels acres treated (+113 percent), Noxious weeds acres treated (+154 percent), Grazing allotment NEPA (+110 percent), and miles of Roads and Trails maintained (+152 percent). We do not believe we could have experienced this same level of performance if we had to transfer funds for Fire Suppression.

*Question.* Does the agency believe that a similar mechanism is needed for fiscal year 2006 to prevent the massive borrowing that has happened in recent years?

*Answer.* In fiscal year 2006 the President's budget is \$700 million for suppression. The Forest Service will also have any remaining unobligated balances available for fire suppression. If a severe fire season occurs in fiscal year 2006 resulting in suppression costs that exceed available funding, additional funds will be redirected from other agency programs. The agency is working aggressively to contain suppression costs by developing effective and efficient wildfire suppression methodologies

that provide for public and firefighter safety, while striving to minimize the need for transfers from other programs.

#### BACK COUNTRY AIRSTRIPS

*Question.* The Committee has heard concerns that our nation's parks and forests are being closed off to visitors from the air who utilize airstrips on public lands known as back country airstrips. These same airstrips are also critical for pilots flying over rural areas like Montana, who either encounter an emergency or have to wait out less than desirable weather.

What is the Forest Service's position as it relates to protecting aircraft access and for preserving back country airstrips?

*Answer.* Backcountry airstrips are generally managed for "emergency use only" with the understanding that sporadic use will occur. Over the years, the Forest Service has recognized that some level of maintenance is necessary at these airstrips for them to continue to function as emergency airstrips. Annually, Forest Service staff inspects each backcountry airstrip to assess current conditions and determine any maintenance needed to keep them serviceable. Forest Plan direction provides for continued maintenance of these airstrips in order to keep them functional.

For example in the State of Idaho, the Forest Service is currently working closely with the state in several areas. We are working with the Idaho Transportation Department, Division of Aeronautics and the Idaho Airstrip Network Steering Committee on an Idaho Airstrip Action Plan, part of the transportation plan for the entire state, that includes all backcountry airstrips administered by the Forest Service. We are working with the Idaho Division of Aeronautics on a landing strip classification system which will provide the public with basic information on each landing strip in terms of facilities, maintenance, and adjacent facilities and activities. We are also working with the Division of Aeronautics in development of an "Operations and Maintenance Plan" format for landing strips located in the Frank Church River of No Return Wilderness, leading to a consistent and collaborative approach in management of these backcountry airstrips.

*Question.* How many of these airstrips have been closed in the past 5 years?

*Answer.* The Forest Service has not closed any backcountry airstrips to public access in the past five years.

*Question.* Do you have any plans for closing airstrips in the future?

*Answer.* At this time, the Forest Service does not have any plans to close backcountry airstrips.

#### NEW FIRE TECHNOLOGIES

*Question.* The Committee is aware of several new kinds of technologies that are being tested and considered for wider use by the fire program. One of these is an enhanced infrared sensor system called FIREWATCH. Please provide the Committee a more detailed discussion of the technical aspects of the FIREWATCH system. In particular, describe the enhanced vision capabilities of the infra red sensors during moderate to heavy smoke conditions.

Are the mapping capabilities compatible with other software systems already deployed by the USFS/BLM?

*Answer.* The FIREWATCH aerial supervision/remote sensing program was developed to fulfill aerial supervisory needs and improve incident management situational awareness. The aircraft is a Bell 209 Cobra helicopter that has been completely rebuilt, rewired, and has all weapons systems removed. The aircraft is equipped with many integrated, technologically advanced systems. These systems will assist the Air Tactical Group Supervisor (ATGS) in supervising aircraft over an incident, and will also gather and transmit real-time information for incident management to enhance operational efficiency.

The aircraft is equipped with state-of-the-art high tech systems:

- Two separate infrared sensors
- Digital low light color camera
- Laser range finder
- Laser illuminator
- Type 1 ATGS communication system
- Live infrared sensor, color camera video. And audio are transmitted through a television quality airborne microwave transmission system
- ARCGIS (ESRI shape file) interagency fire program compatible mapping data system
- Real-time satellite map data transmission capability and/or USB Mass Storage Device

—Geographically referenced inertial navigation system

The FLIR is integrated to work with an Avalex moving-map program that can display street, topographic, and aeronautical maps. The infrared sensor provides the capability to see fires through smoke and haze day or night. Since the infrared imager is integrated with the onboard mapping system, it is able to very accurately determine the position of items of interest, which are observed on the ground. By directing the sensor along the perimeter of a fire the system can accurately map the fire. Immediate delivery of map data is made possible through a data transmission kit equipped satellite phone. Video and infrared data and all cockpit audio are also recorded on an Avalex system digital video (DVD) recorder. The aircraft is equipped with a multi-channel microwave transmitter capable of down linking real time color or infrared camera images to a portable microwave receiver and/or data recovery van.

#### *FIREWATCH Benefits to Incident Management*

*Visibility.*—The Bell 209 seating arrangement allows the ATGS a full 300+ degree horizontal and unlimited vertical field of vision.

*Maneuverability.*—Capability of hovering and slow flight provides the aerial supervisor a superior platform for analyzing critical situations. Target determination, reconnaissance, and situational interpretation are greatly enhanced, therefore allowing more accurate interpretation of situations for firefighters.

*Human Aiding Technology.*—First identified by the Tactical Aerial Research Management Study (TARMS) as a future component to enhance the aerial supervisory mission, advanced technology provides incident staff real-time information critical for situational awareness and cost effective decision-making. Live video (color camera or infrared sensor) and audio can be sent via microwave to an incident command post for immediate interpretation by incident staff. Infrared capability allows the image of a fire's perimeter to be viewed regardless of smoke. Transmission of map data can be emailed in flight or delivered by removable hard drive (USB Mass Storage Device). FIREWATCH can deliver a portable "briefcase" downlink receiver; this monitor enables tactical ground firefighters to receive FIREWATCH live video transmissions while actually "on the line". DVD recordings and map data can be delivered to incident planning staff for interpretation to determine effective and efficient fire planning.

*Direct Communications.*—The helicopters ability to operate locally and land at an incident provides the opportunity for aerial supervisors to meet directly with incident staff. Eye-to-eye discussion and delivery of real-time intelligence can be an invaluable strategic asset.

*Speed.*—The Cruise speed of the Bell 209 Cobra is similar to many fixed wing air tactical aircraft in use today (cruise speed 160 statute miles per hour), and mission flight endurance of up to 3.3 flight hours.

*Crew Comfort.*—A fully functional heating and air conditioning system reduces fatigue and provides the flight crew a very comfortable working environment for extended flights.

*Cost.*—The Bell Model 209 FIREWATCH helicopter provides capabilities normally provided to incidents by two aircraft for the cost of one. Normally an aerial supervisory aircraft is ordered for an incident, and then a second aircraft is ordered to provide remote sensing information (Aircraft equipped with infrared sensor and/or mapping capability). Intelligence gathering missions normally do not require the commitment of an aircraft for a full day, but often, full day costs are incurred. FIREWATCH is staffed and operated by fully qualified Air Tactical Group Supervisors (ATGS) that can provide relief Aerial Supervisory coverage between intelligence gathering missions, consequently reducing the requirement for a relief ATGS. Occasionally, smoke inversion may limit aircraft operations, but FIREWATCH helicopter operations may continue. FIREWATCH can reduce incident costs by fulfilling helicopter coordinator duties.

*Question.* In testing, did the real time mapping capabilities meet, or exceed, expectations?

*Answer.* In initial testing and in the first season of fielding the FIREWATCH system, it clearly exceeded expectations. Furthermore, acquired system improvements will increase speed, integration, and capabilities of the mapping system. The agency is presently working on a system that will allow FIREWATCH information to have real time computer-online capability. This capability will be on web-sites to fire managers as well as public service for emergency information.

*Question.* Please provide the Committee a detailed discussion of other platforms besides helicopters to which the FIREWATCH suite could be applied and whether the system could be "modularized", or shared between various platforms?

**Answer.** The FIREWATCH system initially used a military surplus AH-1 Cobra airframe as a surrogate. The AH-1 airframes were readily available, inexpensive, and could be rapidly outfitted. The focus throughout the initial fielding was, however, to design a system that could readily be installed and fielded on any other airborne platform. As a result, the FIREWATCH system is totally modularized and can be fielded on practically any other airborne platform. Installation design provides for readily transferring the system from one aircraft to another. While installation on a specific aircraft may require FAA approval, numerous aircraft and airframes will be able to accommodate FIREWATCH.

**Question.** What are the comparative costs and cost savings associated with deployment of the FIREWATCH system on multiple platforms?

**Answer.** The comparable equipment cost for the technology suite installed in the FIREWATCH aircraft will be similar for any aircraft platform. The conceptual design of the FIREWATCH technology suite included the objective of compatibility for installation in any future aerial platform. Cost for research and development have already been borne in the engineering of the first FIREWATCH aircraft. No further major development costs would be necessary on other aerial platforms.

**Question.** To date the FIREWATCH system has only been deployed in R-5 California but it appears this coming year the heavy fire incidents are likely to fall in other parts of the west, primarily the Northern, Intermountain, Pacific and Northwest Regions. Does the agency plan to test the FIREWATCH system in these other parts of the country?

**Answer.** Yes. FIREWATCH is considered to be a national resource available to any Federal, state, or local agency. FIREWATCH recently responded to a request from the Department of the Interior, Office of Surface Mining, to determine locations of underground coal seam fires with its infrared sensor and mapping systems.

#### QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

##### FOREST LEGACY

**Question.** In fiscal year 2003, 2004, and 2005, how many applications did the Forest Service receive for Forest Legacy proposals and what was the total dollar amount requested? For each of these years, how many applications was the Forest Service able to fund?

**Answer.** Below is a table identifying the number and funding level for all proposed and funded projects for fiscal year 2003, 2004, and 2005, including new state start-ups.

Year	Number of proposals	Amount of proposals	Number funded	Amount appropriated
2003 .....	129	\$229,371,725	43	\$64,682,000
2004 .....	119	265,375,541	44	<sup>1</sup> 67,298,000
2005 .....	81	162,026,975	39	<sup>2</sup> 59,496,000

<sup>1</sup> Of which \$6,914,000 is from prior year funds.

<sup>2</sup> Of which \$7,198,000 is from prior year funds.

#### NORTHERN FOREST LANDS COUNCIL—NORTHEAST STATE FORESTERS ASSOCIATION REPORTING

**Question.** Last year was the tenth anniversary of the publication of the Northern Forest Lands Council's "Finding Common Ground: Conserving the Northern Forest." The Forest Service was instrumental in convening the Council and publishing the report. It also has been the key federal partner in implementing the report's recommendations. The Northeast State Foresters Association published a report assessing the region's progress in meeting those recommendations. Is the Forest Service following up on that assessment and how can the Forest Service help the region address recommendations that NEFA identified as unmet?

**Answer.** The Forest Service's Northeastern Area (NA) office has been integrally involved in the efforts spearheaded by NEFA (North East State Foresters Association) at the ten year anniversary of the original Northern Forest Lands Council report. In these efforts NEFA analyzed changed conditions in the Northern Forest region, assessed how well the original 37 recommendations had been implemented, and recommended what still needed to be done.

In the last two years NA provided NEFA 4 grants totaling \$89,900 to do the assessment and the subsequent follow-up work. That \$89,900 was matched with

\$89,900 in nonfederal contributions. In addition NA has provided a liaison on the NEFA team, the field representative from its Durham, NH Field Office. NEFA has not yet published the final assessment but will shortly. The most recent grant provides NESFA \$35,000 in funds, matched with an equal amount of nonfederal support, to publish, distribute, and spread the word about the assessment, including briefing the 4 governors (Vermont, Maine, New Hampshire, and New York) who named team members to the assessment "Forum" working group. The Forest Service's Durham Field Office public affairs specialist will assist NEFA in designing and implementing an outreach strategy to notify the public that the assessment is complete.

As the draft NEFA report notes, the assessment efforts at the 10th year anniversary were done with a tiny fraction of the dedicated \$5 million in federal, state, and other resources that attended the original Northern Forest Land Council's work. NA will continue to support the work of NEFA, within the limits of its annually appropriated funding in programs such as Forest Stewardship, Economic Action Programs, Forest Health, and Urban and Community Forestry.

The draft assessment report recommends that the governors of Maine, New Hampshire, Vermont, and New York embark on an initiative that provides a sustained focus on the challenges and opportunities common to the Northern Forest geographies of the 4 states.

*Recommendation 1.*—Invest public and private resources to develop and implement community and economic development strategies across the region to reinvigorate the rural economies of the Northern Forests.

*Recommendation 2.*—Continue public and private investment in conservation and forest stewardship efforts.

*Recommendation 3.*—Support private forest landowners in practicing sustainable forest management while encouraging public access to private land for recreation.

*Recommendation 4.*—Create a collaborative regional effort to ensure the implementation of the initiatives in the assessment report with the governors initiating a continuing coordinating mechanism to provide a sustained focus on the challenges and opportunities common to the Northern Forest geographies of the four states.

The scope of such an initiative far exceeds the expected program funding the Forest Service receives in the applicable programs. However, we will continue to address unmet needs identified in the Northern Forest Lands Council 10th Anniversary Forum Final Report a bit at a time as provided by our current levels of program funding.

#### GREEN MOUNTAIN NATIONAL FOREST LAND ACQUISITION

*Question.* The Forest Service has recommended that \$400,000 be reprogrammed from the Green Mountain National Forest's land acquisition account for other projects outside the Forest. How will this reprogramming affect the Green's land acquisition program? In particular, are there pending projects that will be delayed because of the reprogramming or lack of funds?

*Answer.* The fiscal year 2005 Consolidated Appropriations Act of 2005, Public Law 108-447, reduced the Land Acquisition program's unobligated balances by \$11million. The Eastern Region's share of this reduction was \$1.9 million. The Region analyzed each Forest's carryover balances and proportionately assessed those forests that could not expend all of their carryover balance during fiscal year 2005. It was determined that the Green Mountain National Forest's contribution to the reduction would be \$400,468 based on equitable forest shares of available carryover within the Region. It is not expected that this assessment will delay any pending projects in fiscal year 2005 on the Green Mountain.

#### NORTHEASTERN RESEARCH STATION BUDGET

*Question.* What is the impact of the President's fiscal year 2006 budget recommendation for the Northeastern Research Station, particularly in the area of recreation research?

*Answer.* The President's fiscal year 2006 budget request for the Northeastern Research Station proposes no recreation research. Funding is directed to higher priority programs such as Forest Inventory and Analysis.

#### QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

##### LEAFY SPURGE

*Question.* In fiscal year 2003 and fiscal year 2004, the Interior bills contained \$300,000 for leafy spurge control in North Dakota in an effort to address the weed

problem on the grasslands. Last year, for fiscal year 2005, that amount was increased to \$350,000.

Please tell the committee what progress has been made thus far with these funds? For example, how many acres have been treated? Which entities have been doing this work? And how many more acres remain to be treated?

Answer. Along with Forest Service staff, the following entities have participated in the treatment of noxious weeds: Sheyenne Valley, Little Missouri, McKenzie County and Grand River Grazing Associations; Billings, McKenzie, Slope, Golden Valley, Ransom and Richland County Weed Control Boards; Rocky Mountain Elk Foundation, State of North Dakota, and U.S. Department of Agriculture. Most of the treatment of noxious weeds through chemical application has been by the Grazing Associations and County Weed Control Crews. The Forest Service has been most heavily involved in the movement of leafy spurge beetles and other methods of weed control.

The Dakota Prairie Grasslands (DPG) noxious weed program is an integrated approach to weed suppression and eradication, and includes herbicide control, biological control, goat and sheep grazing, mechanical and re-vegetative treatments, and education and prevention. In 2002, 13,694 acres of noxious weeds were treated across the DPG. In 2003, 16,536 acres were treated, and in 2004, 10,958 acres were treated. Future treatment needs cannot be accurately described in terms of acres remaining to treat. The target species is aggressive and persistent, and a long-term treatment strategy involving successive treatments over an extended period is most effective. The DPG is working on a definitive weeds inventory; but it requires time and funding to implement. The benefits of fully implementing this type of inventory needs to be weighed against diverting funds from immediate treatment needs.

*Question.* I am also concerned that this work is not going to be continued in fiscal year 2006. Under the President's request, the Vegetation and Watershed account is up by \$4.1 million, but your budget justification doesn't specify any set amount for leafy spurge control on the grasslands. Does the President's fiscal year 2006 budget request contain the \$350,000 needed to continue this work?

Answer. The war on weeds will be a part of our program in fiscal year 2006 and well into the future. Leafy spurge is a very difficult species to eradicate. Older plants will be the focus of non-chemical suppression efforts, such as goat grazing, while young/new infestations are targeted for aggressive herbicide control. Biological control will also be used to reduce and control spurge populations.

#### GRAZING ALLOTMENTS

*Question.* The Forest Service is in the process of completing its scientific review of grazing allotments on the Dakota Prairie Grasslands (DPG). The Scientific Review Team's final report is due out in the near future and early estimates predict grazing activities on the grasslands could be cut by 15 to 35 percent.

One of the reasons associated with the sharp cuts is that the management planning strategy has moved from livestock emphasis to ecosystem restoration. The management plan emphasis is included in the Dakota Grassland Plan and the move from a livestock emphasis to an ecosystem restoration plan has already been appealed by the ranchers and the ranchers lost. I believe we can have both and that developing an appropriate management plan is not an either/or proposition.

Often ranchers get unfairly criticized for what those in some sectors refer to as "abusing the land." However, as someone familiar with ranching, I think the ranchers themselves are the best people to ensure that the land they graze remains environmentally sound because it directly affects their livelihoods and economic situations.

Recently the Forest Service proposed a new rule that would put social and economic interests on the same level as environmental interest when developing management plans. I believe this common-sense approach is needed because too often we dismiss economic and social consequences that impact local towns and communities.

My question is this: Will the Forest Service review the DPG Management Plan, taking into account social and economic impacts, as described in the new rule? And if not, why not?

Answer. The National Forest Management Act requires consideration of social and economic aspects in planning. The current Dakota Prairie Grassland (DPG) Management Plan was completed under the 1982 planning rule. At the time of the DPG's plan revision these elements were considered and displayed.

The new planning rule provides an option for national forests and national grasslands to amend a plan under the 1982 rule for three more years. Therefore, any conditions that may precipitate a plan revision or amendment on the DPG would take



into account social and economic impacts regardless of which planning rule is followed.

As a final point, any future project-level planning would need to consider social and economic impacts on a site-specific basis, regardless of which rule the plan was written under.

#### FIREFIGHTING BORROWING

*Question.* For several years in a row, Congress has not appropriated enough money for fighting fires. As a result, the Forest Service was forced to borrow money from its non-firefighting accounts to supplement the firefighting budget. Congress was then forced to come back and reimburse the Service for its extra costs. Not only is that an extremely inefficient way of doing business, but since we have not reimbursed the full amount that was borrowed, some of the Service's programs were being cut to absorb the difference.

This past year, fiscal year 2005, Congress addressed the problem by adding \$394 million for fire suppression activities, in addition to the \$649 million in the base account. The president's budget is seeking an increase of \$51 million in suppression funds for fiscal year 2006, but that still puts the request at only \$700 million. That's at the 10-year average, but I'm concerned with what happens if next year turns out to be another \$1 billion plus fire year. What other proposals does the Forest Service have to help alleviate this problem?

*Answer.* In fiscal year 2005 the agency has approximately \$1.2 billion available for emergency suppression. This amount includes an annual appropriation of \$649 million; supplemental appropriations of \$394 million; and carryover from fiscal year 2004 of \$313 million, less a \$149 million pay back to K-V. We anticipate this amount will be sufficient for fiscal year 2005. In fiscal year 2006 the President's budget is \$700 million. The Forest Service will also have any unobligated balances available following the fiscal year 2005 fire season. If a severe fire season occurs in fiscal year 2006 resulting in suppression costs that exceed the funding available, additional funds will be redirected from other agency programs. The agency is working aggressively to contain suppression costs to developing effective and efficient wildfire suppression that provides for public and firefighter safety, and striving to minimize the need for transfers from other programs.

#### SUBCOMMITTEE RECESS

Senator BURNS. I thank the members for attending this morning. I thank the panel for appearing this morning. The subcommittee will stand in recess to reconvene at 9:30 a.m., Thursday, March 10, in room SD-124. At that time we will hear testimony from the Honorable Gale A. Norton, Secretary of the Interior.

[Whereupon, at 10:55 a.m., Thursday, March 3, the subcommittee was recessed, to reconvene at 9:30 a.m., Thursday, March 10.]



**DEPARTMENT OF THE INTERIOR AND RE-  
LATED AGENCIES APPROPRIATIONS FOR  
FISCAL YEAR 2006**

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**WEDNESDAY, MARCH 10, 2005**

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

The subcommittee met at 9:29 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.  
Present: Senators Burns, Stevens, Cochran, Allard, Dorgan, Leahy, and Feinstein.

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SECRETARY**

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

**ACCOMPANIED BY:**

**P. LYNN SCARLETT, ASSISTANT SECRETARY FOR POLICY, MAN-  
AGEMENT AND BUDGET**

**JOHN D. TREZISE, DIRECTOR OF BUDGET**

**OPENING STATEMENT OF SENATOR CONRAD BURNS**

Senator BURNS. We will call the subcommittee to order.

We have got a lot of work going on this morning. We have got a couple of members here who are in the middle of markups, and we have got markups along with those fellows over there.

I am going to forego my opening statement right now. The chairman of the full committee is here. I guess not the full committee. But Mr. Stevens is here.

Because he has a markup starting over in Commerce, where Senator Dorgan and I are supposed to be in a little bit, and then you have got a markup in Budget, and I understand that is taking up your time for Senator Allard.

So I will call on Mr. Stevens, if you have an opening statement and want something for the record, you are free to do that at this time.

**OPENING STATEMENT OF SENATOR TED STEVENS**

Senator STEVENS. Thank you very much. I accept your yielding to me on a matter of age. All right?

Senator BURNS. I was afraid to say that.

Senator STEVENS. Madam Secretary, I will see you later this afternoon, but I have come over to specifically put in the record

some questions I would ask you to respond to. I am really very seriously worried about the budget and how it affects my State. As I told you, we had 703 fires totaling 6.5 million acres that burned last year, and the effort to fight those fires was just absent. So I would hope that you respond to that.

The other thing that worries me considerably is—you know, most of my friends here do not understand this, but I was one of the original co-sponsors of the Endangered Species Act. We have listed the spectacled eider and the Stellers eider. These two species have now been listed as threatened, but the money for dealing with endangered species and threatened species in Alaska is reduced by \$1 million. I just do not understand that. I do not ask you to answer now, but I just hope you would answer for the record and work with us as we try to correct some of these things.

We are besieged this year more than ever before with attacks because of our pork, the add-ons, the changes we make in the budget. I think we need to reprioritize the budget and I hope you will assist us in this regard to take care some of the meaningful problems in our States.

I appreciate it, Mr. Chairman.

Senator BURNS. Senator Allard, you are in the middle of a mark-up upstairs right now, I guess.

#### OPENING STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. We are and actually we have moved it over to the Capitol because we have a lot of votes this morning too on the floor.

I just want to personally welcome the Secretary here. We go back a ways in Colorado. I just want to state for the record I think she is doing a great job and have appreciated working on many issues very important to Colorado and the western States.

There is no doubt, Mr. Chairman, that this is going to be a very tight budget year. While we go through this budget on Interior, I think we have to be very deliberative and very careful the way we move forward on that. I want to be a positive force in our efforts to make sure that we can restrain spending. We need to do that because of the deficit accumulation, but also we need to do it very thoughtfully.

So I just wanted to welcome her briefly and thank you, Mr. Chairman. This is my first subcommittee and I am looking forward to working with you and the other members, Mr. Chairman, and I will submit my full statement for the record. Thank you very much.

Senator BURNS. Without objection, that statement will be made part of the record.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR WAYNE ALLARD

Mr. Chairman, Thank you for holding this hearing today. I am pleased to have a chance to discuss the projected budget for the Department of Interior. I'd like to extend a special welcome to Secretary Norton. Gale and I go way back, and I think that she has done an exceptional job in handling an agency that is very important to Colorado, and the nation.

Specifically I want to thank you for the work that you, and the rest of the Administration, have done to protect state water rights, and to foster an atmosphere of

cooperation—rather than oppressive mandates—with regard to the potential listing of “endangered species.”

We all know that this is going to be a tough budget year. The President had difficult decisions to make in his projected budget request. While I realize that difficult adjustments must be made, I think that we must be careful and deliberative when making these adjustments.

I am going to have to leave early to participate in the Budget Committee markup, but I look forward to working with you, Mr. Chairman, and the rest of the Committee, to see that worthy projects and programs continue to be funded in a responsible manner.

Senator BURNS. I have got a short statement here that I will open up with this morning and I will turn to my friend from North Dakota.

Good morning and welcome, Madam Secretary, to this subcommittee.

The budget, it looks like, presents several challenges, as you have heard from two members of this committee. Like most agencies in Government, you have been charged by your President and his eyeshades over at OMB to write a budget that helps reduce the size of the deficit. I do not envy your task, even though it is an important one. Neither do I envy the task that lies before this subcommittee, as we begin to put the appropriations bill together.

The bottom line is that the request under this subcommittee’s jurisdiction is about \$600 million below last year’s discretionary spending, and that is without factoring in hundreds of millions of dollars that it takes just to keep pace with pay increases and other fixed costs. Maybe we better start looking down there and see how much dead wood you have got around the Department of the Interior to find some savings. If you can find some, I would appreciate any information that you could forward to this subcommittee. But our fixed costs total about \$159 million in the Department of the Interior alone.

All of this translates into some pretty stark math within your request. You have elected to zero out the Land and Water Conservation Fund State assistance program for a savings of around \$90 million. You have reduced Payments in Lieu of Taxes by \$27 million. You have reduced funding for a variety of Indian education programs, such as Tribally Controlled Community Colleges and the Johnson-O’Malley grants. And you have proposed to terminate the rural fire assistance program, cut in half the Save America’s Treasures program, and reduce by \$28 million the Mineral Resource programs within the U.S. Geological Survey.

I do not say all this to imply that cutting or terminating programs is necessarily bad. Obviously, we have to make some tough choices in order to control Federal spending and weed out the programs that are not working so well. I think what we are interested in is what is behind the choices that you have made.

Your budget also made room for a number of significant increases. Funding for historical accounting of Indian trust accounts is up \$78 million. Let me sort of have a little word about this. I do not know whether we are getting anywhere or not. This looks like we are just pouring money down a black hole, and between you and judges and everything else, it has got most of us up here on the Hill sort of confused.

You have asked for an additional \$21 million for Private Stewardship and Landowner Incentive programs, \$58 million for aban-

doned mine lands, and \$20 million for the troubled LANDSAT program. You have requested \$12.5 million for a new Preserve America program.

What we hope to achieve today is a better understanding of why some of these items were viewed as higher priorities than those that were cut. I do not anticipate that the budget resolution that Congress will soon adopt will provide any great relief to this committee. So I will have to wrestle with many of these same questions and tradeoffs. We hope that you can help us with your testimony and as we work in the weeks ahead to come down with a budget and appropriation that we can live with. So I would appreciate your being as candid as you possibly can in this area.

I want to thank you again because I certainly appreciate in the past that we have worked together on many programs and we have worked our way through them. I appreciate that cooperation. But we seriously have a huge challenge ahead of us today.

By the way, I will give you some idea of what is ahead of us today from a time standpoint. These are the questions. There are four questions on each page. So I hope you have maybe packed a lunch or something. We will work our way through it.

Now I would turn to my good friend and ranking member on this committee, Senator Dorgan.

#### OPENING STATEMENT OF SENATOR BYRON L. DORGAN

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

Madam Secretary, welcome.

The chairman has raised a number of issues that I would also echo. I think funding for tribal colleges, the recommendation really just retracts the last 2 years of progress that we have made, zeroing out the funding for the United Tribes Technical College, a college which you visited in Bismarck, and also Crownpoint in New Mexico is something I certainly do not support.

The cuts in funding in a number of areas. Payments in Lieu of Taxes, for example, I think is difficult and troublesome. There are just a number of areas I think that we need to work through.

I do not understand this historic preservation fund called Preserve America. You are cutting heritage area funding. You are cutting Save America's Treasures funding, and then to create a new essentially non-Federal program with Federal money to accomplish the same goals. My guess is, my hope is that we will strike that as we did last year.

We want the Agency to do well. I notice in your testimony you anticipate opening ANWR to drilling. Let me just make an observation about that. Every 25 years or so we go through this angst about an energy plan and our response to it is to dig and drill. So every 25 years, we will select some other pristine spot and drill there and dig someplace else, and we will not have enhanced our country's energy future at all. We need to move to a different construct for energy.

But I think, as you know, the issue of drilling in ANWR is controversial. I respect those who support drilling in ANWR, but I personally think all that does is just repeats the same old, tired arguments that we do every 25 years that never actually makes America less vulnerable. We are more vulnerable than ever. Now 60 per-

cent of our oil comes from off our shores, much of it from troubled parts of the world. The solution is not to drill in ANWR. The solution is to go to a hydrogen fuel cell economy and stop running gasoline through carburetors. The President has taken a baby step in that direction which I support. I would support a much more aggressive and bold step.

There is a lot in this budget to chew on, as the chairman indicated. We want to work with you. We want the Department of the Interior to do well, to function effectively and efficiently. I hope that perhaps we can spend a little time talking about our trust responsibility with respect to Indian education as well at this hearing.

But as the chairman indicated, we are going to have probably an abbreviated hearing because of a markup going on in the Commerce Committee.

But, Madam Secretary, you have been doing this now for some long while. We are glad you are back with us and look forward to talking to you about these issues. Ms. Scarlett, and is it Mr. Trezise?

Mr. TREZISE. Yes.

Senator DORGAN. Thank you for being with us as well.

Senator BURNS. Thank you very much.

Senator Leahy.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Mr. Chairman, I will have questions. I could not help but think when Senator Dorgan was talking about opening up the Arctic Refuge, they are assuming \$2.4 billion from lease sales. I will be interested in hearing how much you are going to sell it for. We did a quick calculation. To make that, you would have to be selling these leases for around \$4,000 to \$6,000 an acre on the North Slope. I think they have averaged around \$50 per acre. So I will ask the specific question just how you reach that amount.

Also I will have questions on the fisheries budget because I notice that, notwithstanding a very clear congressional requirement, you have cut back very considerably from what the Republicans and Democrats on this committee and the Congress had voted for. But I will hold those for the questions, Mr. Chairman.

Senator BURNS. Thank you, Senator Leahy.

Madam Secretary, we look forward to hearing your statement and, once again, welcome to the subcommittee.

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

Secretary NORTON. Thank you very much, Mr. Chairman and members of the committee. I am happy to be here this morning along with Lynn Scarlett who is our Assistant Secretary for Policy, Management and Budget and our nominee for Deputy Secretary, as well as John Trezise who heads our budget operations.

#### COBELL LITIGATION

Before highlighting our priorities, I would like to provide some information about the *Cobell* litigation. We received a ruling on February 23 from Judge Royce Lamberth. He reinstituted the in-

junction that he issued in September 2003. It ordered the Department of the Interior to perform an expansive accounting of individual Indian trust accounts and assets. This order requires us to go back to 1887 to verify every single transaction that has taken place since that time. This undertaking involves finding and indexing millions of canceled checks, invoices, leases, ledgers, and other documents. It is the equivalent of going back to your great grandfather's financial accounts and trying to find every piece of paper that underlies those transactions.

Many of the necessary documents are currently housed in Federal archive facilities. Many other records are held by those who have leased Indian lands like oil and gas companies, timber companies, farmers, and ranchers. The judge has ordered us to develop a plan for subpoenaing these records from the private sector.

Other records are held by Indian tribes or individual Indians. These records will presumably also need to be acquired.

We would need to index and electronically image these documents so they can be effectively used by the accountants. The Department has estimated that the total cost of this accounting work would be \$10 billion to \$12 billion. That includes no payments to anyone. That is just purely for the accounting work. To put that in perspective, the entire annual budget for the Bureau of Indian Affairs is \$2.2 billion. Though our budget contains an increase to carry out the Department's plan for historical accounting, the Department's budget was obviously not constructed to address these requirements for 2005 or 2006.

As you may recall, the September 2003 order from Judge Lamberth was stayed by the Court of Appeals and by a congressional appropriations rider. The Court of Appeals later held that the congressional action invalidated Judge Lamberth's 2003 order, but it declined to address the underlying merits of Judge Lamberth's order.

We are working with the Department of Justice on the courses of action that are available to us. It is my understanding that we have filed a motion for stay with the Court of Appeals.

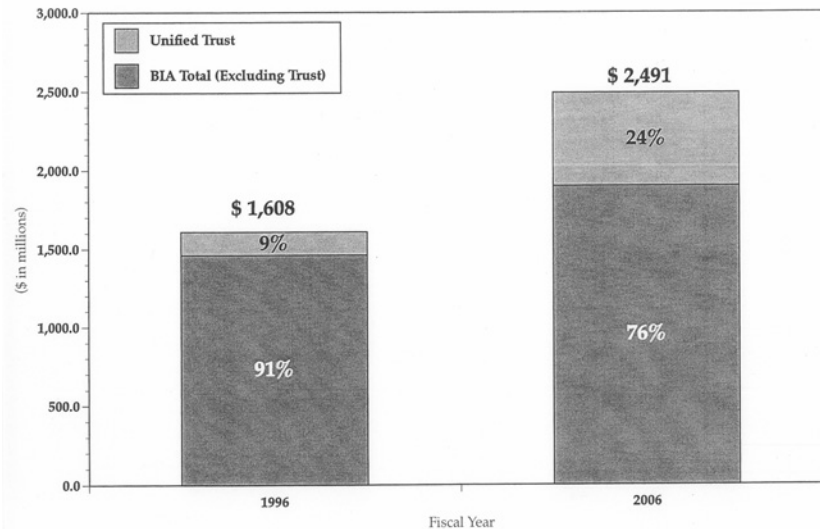
#### TRUST MANAGEMENT AND HISTORICAL ACCOUNTING

Our efforts to improve trust management and to do historical accounting have necessarily been a high priority. We have a chart that shows the Department's combined appropriations for the Bureau of Indian Affairs and the Office of Special Trustee which have increased 8 percent during our term, compared to 2 percent growth in the Department's overall budget. Within these agencies, programs directly related to trust have increased by 97 percent.

The chart we have here shows that the unified trust budget is now 24 percent of the combined spending in Indian country, as compared to 1996 when it was 9 percent.



Comparison of Trust Funding  
FY 1996 to FY 2006



The 2006 budget proposes \$591 million for Indian trust management. Interior is aggressively pursuing historical accounting activities. Our results to date indicate that there are differences involving both overpayments and underpayments, but they tend to be infrequent and small. A net of about \$1.5 million in differences has been found, involving a throughput of over \$15 billion, which includes both tribal and individual funds. That is considerably less than the amount of funding we have spent to identify those discrepancies.

There is a vast gap between our findings in looking at the historical accounting and our legal positions about what types of accounts and how far back in history we should go, compared to the plaintiffs' allegations that we owe \$176 billion. The vast difference has made ordinary settlement elusive.

The litigation focuses to a large degree on what instructions Congress gave Interior in the 1994 Indian Trust Fund Management Reform Act and earlier statutes. This situation perhaps presents an historic opportunity to address this problem by fixing some longstanding problems in Indian country like fractionated land ownership that hampers economic development. We perhaps have the opportunity to modernize antiquated arrangements that cause us to spend over \$100 to manage an account with 50 cents or spend an average of \$5,000 per probate for probate accounts with as little as 11 cents.

I am pleased that Chairmen McCain and Pombo are making this a high priority and I hope that the appropriators will also continue their interest so that we can reach a bipartisan solution.

## BUDGET OVERVIEW

Beyond Indian trust responsibilities, Interior's mission is multifaceted and complex. Our overall 2006 request for programs is slightly less than 1 percent below the 2005 level. Our proposed budget continues the funding provided for park operations in 2005 and funds fixed costs. At the level proposed in our 2006 budget, park operations funding will be 25 percent higher than in 2001.

## HISTORIC PRESERVATION AND HERITAGE TOURISM

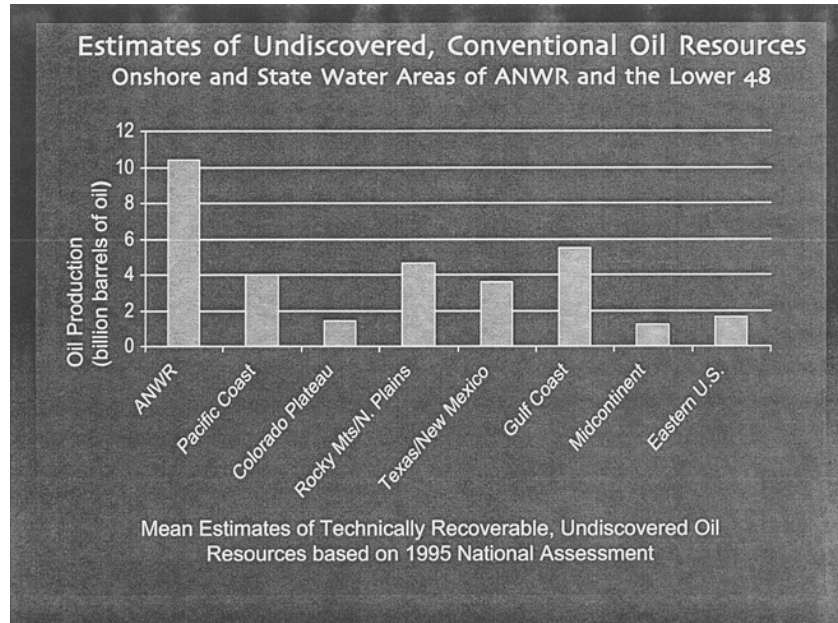
In addition to enjoying outdoor recreation on public lands, more and more Americans are visiting historical and cultural sites. The National Park Service offers several programs that focus on historic preservation and heritage tourism. The 2006 budget contains \$66 million for historic preservation and heritage tourism including \$12.5 million for Preserve America. Initiated by the President and First Lady, Preserve America recognizes community efforts to develop sustainable uses for their sites and to develop economic and educational opportunities related to heritage tourism. To date, over 200 communities in 34 States have been designated as Preserve America communities.

## ENERGY DEVELOPMENT

Interior is one of the few Federal agencies that takes in more money than it spends. The key generator of revenue is responsible energy development. In 2006, Interior will help meet America's energy needs by providing appropriate access for exploration and development on Federal lands and portions of the Outer Continental Shelf, expediting permitting and rights-of-way processing and encouraging development and use of clean, renewable energy. The 2006 budget provides \$530 million for energy programs through appropriations and user fees, an increase of \$22 million.

The budget assumes enactment of legislation to open the 1002 area of the coastal plain in the Arctic National Wildlife Refuge to oil and gas exploration and development. The U.S. Geological Survey estimates that the entire ANWR assessment area contains a mean of 10.4 billion barrels of technically recoverable oil. That is a very significant amount.

We have a chart that shows the estimate for the ANWR area in comparison with other onshore areas. The ANWR area is the column that is furthest to the left. It is far larger than any of the other areas, and yet the geographic area is far, far smaller. The potential daily production from this area alone is larger than the current daily onshore oil production of any other State. The currently available estimates project that \$2.4 billion in revenue will come from the first bonus bid lease sale in 2007. The Congressional Budget Office recently did its own calculations and estimated that sales would produce bonus bids of \$5 billion between 2007 and 2010.



#### USER FEES

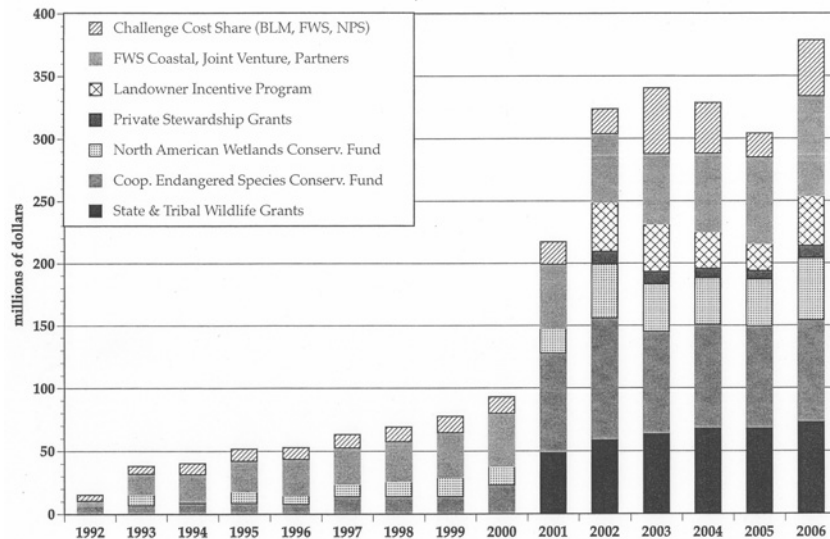
Consistent with the Government's policy to charge for Government services where the direct beneficiaries can be identified, the 2006 budget for the Minerals Management Service includes \$19 million in new fees charged to offshore energy producers.

The Bureau of Land Management will also increase its fees to energy companies for onshore permit processing from \$2 million in 2005 to \$11 million in 2006. The proposed BLM energy budget would enable them to reduce the backlog of applications for permits to drill pending over 60 days from nearly 1,700 to 120 by the end of 2006.

#### COOPERATIVE CONSERVATION

Protecting wildlife and habitat is one of Interior's most important functions. Over the past 4 years, Interior has promoted cooperative conservation by joining with citizen stewards to conserve open space, restore habitat for wildlife, and protect endangered and at-risk species. We are supporting these conservation efforts through grant and cost-sharing programs that emphasize local initiatives and partnerships. From 2002 through 2005, our conservation partnership programs have provided \$1.7 billion for conservation investments, and that is shown on this chart. As you can see, we have significantly increased the grant programs for conservation.

### Department of the Interior Cooperative Conservation Programs



In the first 3 years of President Bush's administration, for example, we restored, protected, or enhanced over 1.4 million acres of prairie and upland habitat through just two of these conservation programs: our Partners for Fish and Wildlife program and our Coastal program.

The 2006 budget includes \$379 million for cooperative conservation grant and challenge cost-share programs. These grant programs help us protect wildlife and habitat alongside productive farming and ranching. They support conservation efforts that help avoid the need to list species as endangered or find cooperative ways to recover endangered species.

#### ABANDONED MINE LAND RECLAMATION

The Department of the Interior also does restoration work to reclaim abandoned mine lands. Today more than 3 million Americans still live less than 1 mile from dangerous abandoned coal mines. We want to work with Congress to update the Surface Mining Act. Our 2006 budget facilitates congressional action by providing money to expedite cleanup of high priority sites, but also providing \$58 million to fairly address longstanding commitments to States and tribes that have already achieved their reclamation goals. The administration's approach would remove risk to 140,000 people annually.

#### WILDLAND FIRE

Interior is also reducing risks to communities adjacent to public forests and rangelands that face potential for catastrophic wildfires. Through the President's Healthy Forests Initiative and the bipartisan Healthy Forests Restoration Act, we are reducing

hazardous fuels, thinning trees and brush, and removing dead wood and invasive plants. Over the past 4 years, together with the Forest Service, we have thinned about 12 million acres of public lands. The 2006 budget provides an increase of \$10 million for hazardous fuel reduction projects. Working with the Forest Service, we expect to complete more than 4 million acres of projects in 2006.

#### STEWARDSHIP CONTRACTING

Stewardship contracting provides a new kind of partnership enabling those working with us to retain wood products in exchange for the service of thinning trees, underbrush, and other vegetation. This public/private partnership helps us expand our ability to address hazardous fuels.

#### SCIENCE

Science is a foundation for the Department's land management decisions, supporting all of our activities. The U.S. Geological Survey budget includes an increase of \$20 million in land remote sensing to continue to collect and archive satellite imagery of the United States. The 2006 budget proposes \$5 million for the USGS to work in partnership with the National Oceanic and Atmospheric Administration to enhance our tsunami early warning system to protect U.S. coastal residents in the States and territories.

#### MANAGEMENT EXCELLENCE

I want to conclude my discussion by briefly addressing our efforts to manage Interior more effectively and efficiently. Behind all of our programs, out of the limelight, rests a management foundation through which we strive to improve program efficiency. The Financial Business and Management System will integrate financial management, procurement, property management, and other systems. Today we have over 120 different property databases and 26 different financial management systems. Our managers often operate with dozens of different information management systems, each needing different passwords and training. The 2006 budget includes \$24 million for the new system, an increase of \$10 million. Ultimately we anticipate being able to eliminate some 80 different information systems, saving us time and money. Through this and other innovations, our bureaus work hard to achieve management excellence.

#### PREPARED STATEMENT

Our 2006 budget supports our vision of healthy lands and waters, thriving communities, and dynamic economies. We look forward to working with Congress to advance these goals. Thank you. [The statement follows:]

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

Good morning. I am pleased to be here to discuss the fiscal year 2006 budget for the Department of the Interior. I appreciate the opportunity to highlight our priorities and key goals.

The Department of the Interior's mission is complex and multifaceted. Our 70,000 employees contribute to the Nation's environmental quality, economic vitality, and the well being of communities. Our mission encompasses resource protection, re-

source use, recreation, and scientific, educational, and other services to communities.

The Department's geographically dispersed responsibilities are inspiring and sometimes challenging. Through our programs, we have close connections to America's lands and people. We protect some of the Nation's most significant cultural, historic, and natural places. We provide access to resources to help meet the Nation's energy and water needs, while protecting natural and cultural resources. We provide recreation opportunities to over 477 million people annually on our parks, refuges, and other public lands. We serve communities through science, wildland firefighting, and law enforcement. We fulfill trust and other responsibilities to American Indians, Alaska natives, and the Nation's affiliated island communities.

Four principles shape our 2006 budget. First is the power of partnerships to leverage resources and achieve results. Second is the imperative of fiscal constraint to maintain a dynamic economic context. Third is an emphasis on investments that will help Interior work smarter, more efficiently, and more effectively. Fourth is the importance of funding activities and programs linked to core Departmental responsibilities.

#### BUDGET OVERVIEW

Performance lies at the center of the President's 2006 budget request. The President's proposal also demonstrates the fiscal restraint necessary to halve the deficit by 2009 and maintain the Nation's dynamic economy.

The 2006 budget request for current appropriations is \$10.8 billion. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$4.2 billion, for a total 2006 Interior budget of \$15 billion.

For programs funded by this Subcommittee, the 2006 request includes \$9.8 billion, a decrease of \$69.7 million, or 0.7 percent below the 2005 level. Excluding contingent emergency fire funding provided in 2005, the 2006 request is an increase of \$28.9 million or 0.3 percent over 2005.

The budget projects receipts collected by the Department in 2006 to be \$13.8 billion, an increase of \$914 million and equivalent to 141 percent of the Department's current appropriations request to this Subcommittee.

Interior manages over 500 million acres and some 40,000 facilities at 2,400 locations. These responsibilities engage Interior as a principal manager of real property and other assets that require ongoing maintenance, direct services to public lands visitors, and ongoing activities to ensure public access, use, and enjoyment. As a result, a key goal of the Department's 2006 budget is to fund pay increases and other nondiscretionary cost increases for health benefits, workers and unemployment compensation payments, rental payments for leased space, and operation of centralized administrative and business systems. Providing for these costs will allow the Department to maintain basic services while continuing to improve efficiency and effectiveness to better serve the public.

The budget includes \$158.6 million for nondiscretionary, fixed-cost increases. Of this total, nearly three-quarters, or \$115.7 million, funds higher pay costs. The budget assumes a January 2006 pay increase of 2.3 percent.

Our budget also includes a number of key initiatives that will help us achieve our goals. Key activities include our efforts to:

- Pursue responsible energy development;
- Expand opportunities for cooperative conservation;
- Enhance recreation opportunities on Interior lands;
- Increase forest and rangeland health;
- Continue the clean up of abandoned mine lands;
- Advance trust reform; and
- Reduce risks resulting from natural disasters.

In his February 2 State of the Union Address, the President underscored the need to restrain spending in order to sustain our economic prosperity. As part of this restraint, it is important that total discretionary and non-security spending be held to levels proposed in the 2006 budget. The budget savings and reforms in the budget are important components of achieving the President's goal of cutting the budget deficit in half by 2009 and we urge the Congress to support these reforms. The 2006 budget includes more than 150 reductions, reforms, and terminations in non-defense discretionary programs, of which four involve Interior programs. The Department wants to work with the Congress to achieve these savings.

## ENERGY DEVELOPMENT

*ANWR Exploration and Development.*—Our 2006 budget continues our quest to achieve healthy lands and water, thriving communities, and a dynamic economy. Predictable, readily available supplies of energy at reasonable costs underlie both community well-being and economic action.

In 2006, with Congress' assistance, Interior will help meet energy needs by providing appropriate access for exploration and development of the coastal plain of the Arctic National Wildlife Refuge and portions of the Outer Continental Shelf; expediting permitting and rights-of-way processing; and encouraging development and use of clean, renewable energy.

Interior's 2006 budget provides \$530 million for energy programs through annual appropriations and user fees, an increase of \$22 million.

The budget assumes enactment of legislation to open a portion of the coastal plain in the ANWR to oil and gas exploration and development, with the first lease sale planned for 2007. The U.S. Geological Survey estimates that a mean expected volume of 10.4 billion barrels of technically recoverable oil can be expected if Congress lifts the ban on development in ANWR. At peak production, daily production from this area could be larger than the current daily onshore oil production of Texas.

The budget assumes the first ANWR lease sale would produce an estimated \$2.4 billion in bonus bids in 2007, the same estimate we have used for several years. It is based on conservative assumptions. The Congressional Budget Office recently estimated the first lease sale would produce bonus bids of \$4 billion.

ANWR exploration and development would occur within a 1.5 million-acre area of the 19 million-acre refuge. Actual energy development would occur on no more than 2,000 acres, or one-hundredth of one percent of the refuge. Through increased knowledge, experience, and technological advances, the footprint of energy development will be dramatically reduced from older development sites on the North Slope. For example, use of seasonal ice pads for exploration will limit site disturbance, and extended-reach drilling will reduce the number of sites by allowing development of over 50 square miles of subsurface resources from one single point on the surface.

The budget includes \$1.6 billion for resource use to better meet the increasing demands for water resources, to carry out the National Energy Policy, and to maintain appropriate access to other resources on public lands. Key initiatives include:

*Minerals Management Service.*—The 2006 budget proposes \$290 million for MMS, a \$12.6 million increase over 2005. This total includes a request for \$167.4 million in annual appropriations and \$122.7 million in offsetting collections. The proposed budget will enhance services and programs that protect the environment and off-shore workers. It will also enhance methods to collect, account for, and disburse revenue from Federal and American Indian lands. The \$12.6 million net increase compared to 2005 includes a \$19.0 million increase in offsetting collections and a \$6.4 million decrease in annual appropriations.

*BLM Oil and Gas Processing.*—The 2006 budget will increase the Bureau of Land Management energy and minerals program from an estimated 2005 funding level of \$108.5 million in appropriations and user fees to a 2006 funding level of approximately \$117.6 million. This net increase will enable BLM to accelerate the processing time for applications-for-permits-to-drill and reduce the permit application backlog pending for over 60 days from 1,681 to 120 by the end of 2006.

## RESOURCE PROTECTION

The 2006 budget calls for \$2.6 billion for resource protection programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources. In August 2004, President Bush signed an Executive Order on Cooperative Conservation requesting that agencies strengthen efforts to work cooperatively with States, Tribes, local governments, and others to achieve conservation goals.

Over the past four years, the Interior Department has encouraged cooperative conservation through various grant programs, administrative actions, and policies. These efforts emphasize innovation, local action, and private stewardship. They achieve conservation goals while maintaining private and local land ownership. They foster species protection through land management and cooperative, on-the-ground habitat improvements, complementing traditional funding of ESA regulatory programs.

Key initiatives in resource protection include:

*Cooperative Conservation Programs.*—Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation and to benefit America's national parks, wildlife refuges, and other public lands. The 2006 budget includes \$381.3 million for the Department's cooperative conservation pro-

grams. These programs leverage limited Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative efforts to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

Our budget proposes funding for the Landowner Incentive and Private Stewardship programs at a total of \$50.0 million, an increase of \$21.4 million from 2005. Through these programs, our agencies work with States, Tribes, communities, and landowners to provide incentives to conserve sensitive habitats in concert with traditional land management practices such as farming and ranching, thus maintaining the social and economic fabric of local communities.

Our budget proposes to fund challenge cost-share programs in BLM, FWS and NPS at \$44.8 million. These cost-share programs better enable Interior's land management agencies to work together and with adjacent communities, landowners, and other citizens to achieve common conservation goals. The 2006 proposal represents an increase of \$25.7 million.

The challenge cost-share program includes \$21.5 million for projects that are targeted to natural resource conservation. In 2004, the Congress provided \$21.2 million for these cost-share grants. Leveraged with matching funds this provided a total of \$52 million for on-the-ground projects including more than \$19 million for projects to eradicate and control invasives and weeds.

For example, in New Mexico, the Bosque del Apache refuge is working with the local community to restore riparian habitat along the Rio Grande River by eliminating tamarisk on over 1,100 acres.

We also propose level or increased funding for a suite of other FWS cooperative programs: the Partners for Fish and Wildlife program, the Coastal program, the Migratory Bird Joint Ventures program, the North American Wetlands Conservation Fund, the State and Tribal Wildlife grants program, and the Cooperative Endangered Species Conservation Fund. These programs support a cooperative approach to conservation that emphasizes voluntary partnerships with private landowners, local governments, Tribes, and community organizations.

*Sustaining Biological Communities.*—Targeted increases in FWS and BLM will focus new resources on the recovery of endangered, threatened, and at-risk species and increase interagency efforts to curtail harmful invasive species. We propose a programmatic increase of \$1.9 million for general activities in the Fish and Wildlife Service ESA recovery program and \$7.0 million in BLM to strengthen and expand efforts to conserve and restore sagebrush habitat to maintain sage-grouse populations. An increase of \$2.3 million in FWS, BLM, and USGS will support invasive species work on an eco-regional basis.

*Klamath River Basin.*—The 2006 budget commits \$62.9 million toward finding long-term solutions to water issues in the Klamath Basin and proposes an 8.4 percent increase for Interior Department programs in the basin. In the short-term, water-supply shortages will continue to present challenges. As of mid-February, the snow pack in the upper Klamath River basin was 47 percent below average. With depleted groundwater supplies and expected continued drought conditions, the risks to endangered and threatened fish in the basin persist. We also anticipate impacts to the people and communities dependent on the river, including upper basin irrigators and downstream Indian and commercial fishermen.

The Bureau of Reclamation is currently putting together a water bank of over 100,000 acre-feet to help meet water needs this calendar year for coho salmon. Efforts are also underway to recover listed species and improve conditions by restoring the water-retention capability of the riparian and adjacent habitat. The budget request includes \$7.5 million for the FWS Partners for Fish and Wildlife program for these efforts; \$6.0 million for land acquisition to acquire the Barnes Tract, which will provide nursery and other habitat for the endangered fish and increase water in Upper Klamath Lake in most years; and \$1.2 million to fund pumping necessitated by the removal of Chiloquin Dam, which will improve fish migration and spawning. To move this project forward, a reprogramming letter proposing to construct the replacement water system for Chiloquin Dam will be submitted to the Subcommittee soon.

Finally, the budget request includes \$500,000 for a FWS prototype program to acquire and transfer water rights to the wetlands in the Klamath Basin refuges. These key wetlands on the Pacific Flyway depend entirely on return flows from the Klamath Irrigation Project. The wetlands need a reliable source of clean water as a hedge against droughts and to provide a base amount of water to which the return flows can be added.

*Everglades Restoration.*—Within the 2006 request for NPS construction is \$25 million for the Modified Water Deliveries Project, a key to restoring natural flows in



the Everglades. Under a new agreement between the Department and the Corps of Engineers, the cost to complete the project will be shared by NPS and the Corps. The 2006 budget for the Corps includes \$35.0 million for the Mod Water project. Over the period 2007 to 2009, the Corps will contribute an estimated additional \$88.0 million and the NPS an additional \$41.0 million. The 2006 NPS contribution consists of \$8.0 million in new funding and \$17.0 million redirected from unobligated balances for Everglades land acquisition not currently needed for high-priority acquisitions.

*Abandoned Mine Lands.*—Today, more than 3 million Americans live less than 1 mile from dangerous abandoned coalmines. Consistent with the Administration's 2005 reauthorization proposal for the 1977 Surface Mining Control and Reclamation Act, the 2006 budget supports the Administration's vision to reauthorize the AML program. The Administration's approach would remove risk to 140,000 people annually.

Our budget provides \$147.5 million in AML grants to expedite clean up of high-priority sites and another \$58.0 million in AML grants to fairly address long-standing commitments to States and Tribes that have already achieved their reclamation goals. Under the funding formulas in the 1977 Act, AML funding is increasingly directed to States with significant coal production, but few, if any, abandoned mines. The Administration's approach would direct new AML funding to reclaim unhealthy and unsafe abandoned mines and provide to States that have already completed mine reclamation repayment of their statutory share of AML fees collected under the 1977 law.

#### RECREATION AND HISTORIC PRESERVATION

Lands and waters managed by Interior offer unparalleled outdoor recreational opportunities. The bureaus of Land Management, Reclamation, Fish and Wildlife Service, and the National Park Service manage an inspiring and diverse collection of natural wonders. For example, in 2003 our National Wildlife Refuges attracted 2.2 million hunting visits and 6.6 million fishing visits. The FWS looks for opportunities to add new or expand existing public hunting and fishing programs. There are currently 308 national wildlife refuges that are open to hunting and 270 refuges that are open to sport fishing.

Overall, the budget includes \$1.3 billion in investments for recreation programs that will improve visitor services and access to recreation opportunities.

This total includes an increase of \$33 million to respond to growing demands for recreational activities on public lands, to provide a safer environment for refuge visitors, and to ensure continuous enhancements to visitor services at parks. In addition, the budget provides \$82 million in the operating accounts of BLM, FWS, and NPS to cover increased pay and other fixed costs and maintain existing performance and service levels to the public.

*The Federal Lands Enhancement Recreation Act.*—Passed by the 108th Congress and signed into law by the President on December 8, 2004, the Federal Lands Recreation Enhancement Act will enable Interior land management agencies to improve recreation and visitor amenities on public lands. The Act provides a 10-year extension of the recreation fee program piloted with the Recreation Fee Demonstration program. The Act establishes important parameters for the program to ensure that fees are charged only in appropriate locations and revenues are appropriately spent on infrastructure and services that directly benefit the public.

The Department is working closely with the U.S. Department of Agriculture on key implementation issues, such as development of long-term, multi-agency fee guidance, and the creation of the new "America the Beautiful Pass," which will cover entrance and standard amenity fees for the five agencies authorized under the Act. The Departments are committed to creating a dynamic program responsive to the public and Congress during the implementation process.

In 2006, the Department will continue to transition from the Recreational Demonstration Program to the provisions of the new Act. Working with the Congress, the Department has established a set of principles to guide the program during the transition period. Specifically:

- No new fee areas will be created.
- Agencies will conduct an interim evaluation of existing fee sites based on the new criteria and prohibitions.
- The Golden Eagle, Golden Age, and Golden Access Passes, and the National Park Pass will continue to be sold until the America the Beautiful Pass is available.

- Existing Golden Eagle, Golden Age, and Golden Access passes and National Park passes will be “grandfathered in” under their existing benefits and will remain valid until expired.
- Specific site, forest and regional passes, such as southern California’s Forest Service Adventure Pass, will continue to be available.

The Act includes criteria and directions that address issues raised by the public and members of Congress regarding recreation fees. For example, the Act prohibits fees for BLM and the Forest Service for general access to national forests and grasslands, access to overlooks and scenic pullouts, and areas with low or no expenditures for facilities or services. The use of Recreation Resource Advisory Committees required by the Act will ensure public input on decisions about expanding the fee program by providing the public and local communities an opportunity to make recommendations to the BLM or the Forest Service on specific recreation fee sites and fees. Public notice and participation provisions will guide the Department’s efforts to conduct a program that is accountable and transparent. Under the Act, the vast majority of recreation sites will continue to be free.

*Park Maintenance Backlog.*—Through President Bush’s commitment to address the maintenance backlog in parks, over the past four years more than 4,000 projects were undertaken to maintain, repair or replace park facilities. The 2006 budget includes \$716.6 million for construction and park facility maintenance, an increase of \$29.0 million. Included within the increase are an additional \$22.2 million for NPS construction and \$3.4 million in the repair and rehabilitation program to repair high-priority historic buildings. Including funds in the President’s proposal for reauthorization of the Transportation Equity Act for the 21st Century, total NPS deferred maintenance funding will exceed \$1.1 billion in 2006. The 2006 request will bring funding for park maintenance over five years to \$4.9 billion, as pledged by then-Governor Bush in 2000.

*Preserving Cultural Landscapes.*—More and more Americans are visiting historic and cultural sites across the Nation. In 2002, 81 percent of adults in the United States included at least one cultural, historic, or heritage activity in their vacation plans. Linking historic preservation to educational and economic opportunities ensures sustained commitment to those places that bring alive our nation’s cultures and history.

Through its Preserve America initiative, the Administration is recognizing and encouraging heritage tourism as a significant economic development and educational activity. Over 220 localities have been designated Preserve America Communities, serving as a focus for civic pride and a catalyst for preservation. The Administration proposes \$12.5 million in competitive grants to encourage community preservation of our cultural, historic, and natural heritage through education and heritage tourism.

Overall, the budget proposes \$66.2 million for the Historic Preservation Fund, which includes funding for Preserve America, as well as \$15.0 million for Save America’s Treasures, and \$38.7 million for grants to States and Tribes. The budget includes an additional \$5.0 million for National Heritage Areas.

#### SERVING COMMUNITIES

With its broad-ranging responsibilities, Interior’s activities touch the lives of all Americans. For example:

- Interior’s U.S. Geological Survey, the nation’s premier earth sciences agency, generates scientific information that helps inform decisions about land and water management. Its hazards monitoring helps reduce risks to communities associated with earthquakes, tsunamis, floods, mudslides, and volcanoes.
- Through performing its responsibilities to Native Americans, Alaska natives, and other communities, Interior helps educate children and enhance the economic well being of these communities.
- Interior’s implementation of the President’s Healthy Forests Initiative and the Healthy Forests Restoration Act is enhancing forest and rangeland health and reducing risks to communities from catastrophic fires.

Interior’s budget includes \$5.1 billion to serve communities by improving Indian trust management and services to Tribes and individual Indians; providing resources for Indian education and other social services, advancing the Healthy Forests Initiative and related wildland fire activities; strengthening law enforcement; and enhancing scientific and hazards warning information for our agencies and the public. Key initiatives include:

*Trust Programs.*—The budget provides \$591.4 million to continue the Department’s ongoing efforts to reform management of its fiduciary obligations to Tribes and individual Indians, to continue historical accounting efforts for trust funds, and

to reduce the exponentially growing costs of maintaining fractionated interests of Indian lands. Within this total, the President's budget proposes to increase funding for historical accounting from \$57.2 million to \$135.0 million. An increase of \$9.6 million would strengthen efforts to address the current backlog of unresolved probate cases.

On February 23, the *Cobell* court issued an order reinstating the historic accounting structural injunction previously issued on September 23, 2003, directing the Department to conduct a far more expansive accounting and requiring that it be completed under even more constrained time lines than the Department had planned. Preliminary estimates developed by the Department estimate the costs to comply with the order at between \$10 to \$12 billion. The new injunction requires extensive work beyond what is currently budgeted in 2005 or proposed in 2006 to be completed by January 6, 2006. In addition to the completion of accounting for all judgment and per capita accounts back to 1887 and the completion of the accounting for all transactions in land-based accounts back to 1985, the court order directs the indexing of all trust-related records located at federal facilities in Albuquerque, New Mexico, and Lee's Summit, Missouri, the collection of all relevant trust records held by third parties, the systems tests related to electronic data gaps, and the systems conversion from the Integrated Records Management System to the Trust Funds Accounting System. The Department's budget for 2005 or 2006 is not constructed to address these requirements. The Department is in continuing discussion with the Department of Justice on the course of action available to the Department.

*BIA Detention Centers.*—The budget includes increases of \$16.7 million for detention centers in Indian country. Of the total, \$7.3 million will support detention operations at four new centers currently under construction with Department of Justice funding and for facility operations and maintenance at 19 detention centers built with DOJ grants since 2001. The balance of the increase addresses substandard facility conditions in older BIA detention facilities highlighted in a recent report by Interior's Inspector General. The budget for detention center improvement and repair will nearly double, with an additional \$4.4 million. An increase of \$5.0 million will support contracts to place arrested and convicted persons in non-BIA detention facilities that meet national standards when adequate BIA facilities are unavailable.

*Indian Education.*—To complement BIA efforts to implement the No Child Left Behind Act, the 2006 budget proposes \$2.0 million to pilot leadership academies at four BIA schools. Leadership academies in public school systems have been successful in raising the academic performance of school children and motivating them to continue their education.

To continue improving facility conditions at BIA schools, the budget includes \$173.9 million for education construction. This amount will fund replacement of the Porcupine Day School in South Dakota and the first replacement phase of the Crownpoint Community School in New Mexico. It will also fund four major facilities improvement and repair projects. In order to allow focus on the 34 school replacement projects funded in prior years that are in design phases or under construction, the education construction budget reflects a reduction of \$89.5 million from 2005.

*Healthy Forests.*—The 2006 budget supports the President's Healthy Forests Initiative with a \$211.2 million budget for hazardous fuels reduction in the wildland fire program, a net increase of \$9.8 million over the 2005 enacted level. The hazardous fuels budget includes a program increase of \$10.3 million for fuels projects, partially offset by a scheduled \$2.5 million reduction in funding for development of the LANDFIRE vegetative mapping and imaging system.

Funding in the wildland fire program, together with funds for forest and range improvement in the land management agencies and the Bureau of Indian Affairs, will provide approximately \$313.0 million in 2006 to reduce the build-up of hazardous fuels in the Nation's forests and rangelands, reduce the risk of catastrophic fire to communities, protect threatened and endangered species, and support other activities under the Healthy Forest Restoration Act of 2003.

*Wildland Fire.*—In addition to funding additional hazardous fuels reduction projects, the 2006 wildland fire budget includes increases of \$15.7 million to fund suppression operations at the 10-year average and \$5.0 million to maintain the 2004 aviation fleet reconfiguration. In total, the 2006 budget for wildland fire management is \$756.6 million, a net increase of \$23.9 million over 2005, not including \$98.6 million in 2005 contingent emergency funding.

*Rural Fire Assistance.*—The 2006 budget for Wildland Fire continues partnerships with local fire departments, proposing an increase in the Preparedness program to provide advance training to local fire fighters to help build a ready reserve of local firefighters that can support extended attack and thereby improve the effectiveness of Federal cooperation with local firefighting agencies. Rural fire assistance grants, which provided funds to local fire departments for equipment and basic training, are

eliminated as a separate funding source in anticipation that equipment and training needs of local fire departments will be met through the much larger Forest Service and FEMA fire assistance programs.

*Tsunami Warning System.*—As part of a \$37.5 million, two-year commitment by the Administration to expand U.S. tsunami detection and monitoring capabilities, the 2006 budget includes \$5.4 million for USGS facilities and operations to provide more robust detection and notification of earthquakes that could trigger tsunamis. The President has submitted a 2005 budget supplemental request proposing \$8.1 million for USGS to begin work on these enhancements. The balance of the funding for the tsunami warning system is in the National Oceanic and Atmospheric Administration's budget.

*Landsat.*—The 2006 budget requests \$7.5 million for USGS to begin work on an upgraded ground-processing system to acquire, process, archive, and distribute data from a new generation of satellite-based land image sensors. The first of two Landsat Data Continuity Mission sensors will be flown on a NOAA polar orbiting satellite scheduled for operation in 2009. To continue the 30-year unbroken record of data on the Earth's continental surface collected by the Landsat program, the budget also contains a \$12 million increase to support continued operation of the Landsat 7 satellite in 2006 and to repay a planned reprogramming for 2005 Landsat 7 operations. Although Landsat 7 data remain valuable and usable, revenue from commercial sale of the data that normally supports the Landsat program has sharply decreased as a result of the failure of the satellite's scan line corrector.

*Payments in Lieu of Taxes.*—PILT payments are made to local governments in lieu of tax payments on Federal lands within their boundaries and to supplement other Federal land receipts shared with local governments. The 2006 budget proposes \$200.0 million for these payments. The 2006 request is 60 to 97 percent higher than the PILT payments during the 1990s, but is a reduction of \$26.8 million from the record high 2005 payment level.

#### PROGRAM TERMINATIONS AND REDUCTIONS

As part of the President's effort to halve the budget deficit by 2009, the 2006 budget for the Department makes difficult choices to terminate or reduce funding for programs that are less central to the Department's core missions, have ambiguous goals, duplicate activities of other agencies, or require a lower level of effort because key goals have been achieved. Terminations and reductions include lower priority and one-time earmarks enacted in 2005. Other terminations and reductions include:

*LWCF State Grants.*—The 2006 budget terminates funding for Land and Water Conservation Fund State grants, a reduction of \$89.6 million from the 2005 level. LWCF State grants support State and local parks that have alternate sources of funding through State revenues and bonds. As the nation strives to trim the Federal deficit, focusing on core Federal agency responsibilities is imperative. A 2003 PART review found the program could not adequately measure performance. The 2006 budget continues funding for the administrative portion of the grant program at \$1.6 million, which will be used to review the accountability and performance of grants provided in previous years.

*Jobs-in-the-Woods.*—The budget proposes to discontinue BLM's Jobs-in-the-Woods program, which was created in the early 1990s as a temporary program to assist displaced timber workers in the Pacific Northwest by offering resource-based job opportunities to improve water quality and restore Oregon's coastal salmon populations. As most workers have transitioned and timber sales are increasing, the budget proposes to focus resources on programmatic priorities, including offering the full allowable sale quantity under the Northwest Forest Plan and supporting the Plan's requirement that late-succession reserves be managed to stimulate old growth characteristics.

*USGS Minerals Resources Program.*—The budget reduces funding for the USGS Minerals Resources program by \$28.5 million. The budget continues funding for minerals surveys and studies relevant to ongoing Federal energy, land management, regulatory, and remediation activities. Funding is reduced for studies and information gathering for regional and local activities more oriented to the interests of States, local governments, and universities, all of whom are significant users of information generated by the Minerals Resources program.

*Johnson-O'Malley.*—The budget includes a reduction of \$8.8 million for the Johnson-O'Malley grant program. These grants for Indian children attending public schools do not currently address a focused goal for academic achievement and duplicate similar funding made available by the Department of Education. The budget

provides \$7.8 million for grants to continue the highest-priority components of this program.

*NPS Statutory and Contractual Aid.*—The budget does not continue funding for \$11.2 million in Statutory and Contractual Aid activities that are secondary to the primary mission of the National Park Service.

#### MANDATORY PROPOSALS

Accompanying the 2006 budget are several legislative proposals that affect receipt or spending levels in 2006 or in future years. These proposals, which will be transmitted separately from the budget for consideration by the Congress, include:

*Southern Nevada Public Lands Management Act.*—The budget proposes to amend the Southern Nevada Public Land Management Act of 1998 to return 70 percent of the receipts from land sales under the Act to the Treasury, where receipts from land sales have historically been deposited. The Act, as amended by Public Law 107–282, authorizes the disposal through sale of approximately 49,000 acres of federal land in Clark County, Nevada. Five percent of the proceeds are provided to the State of Nevada for use in the State's general education program and 10 percent are provided to the Southern Nevada Water Authority for water treatment and transmission facility infrastructure in Clark County. The remaining 85 percent of funds are deposited in a special account to acquire environmentally sensitive lands in Nevada; make capital improvements to areas administered by NPS, FWS and BLM in Clark County; develop a multi-species habitat plan for Clark County; develop parks, trails and natural areas and implement other conservation initiatives in the county; and reimburse BLM for costs incurred in arranging sales and exchanges under the Act.

The receipts generated by these land sales so far have been nearly eight times higher than anticipated, with future revenue projections of almost \$1 billion per year. When SNPLMA was originally passed, proceeds from land sales under the bill were estimated at roughly \$70 million per year. Sale proceeds were \$530.5 million in 2004 and are estimated to be \$1.2 billion in 2005.

When the law was enacted, there was general agreement that a substantial portion of the revenues generated would be spent to acquire and conserve other lands around Nevada. However, as land sale receipts under the Act have increased in the last few years, the available funding has outpaced land acquisition needs. These funds are increasingly being dedicated to local projects—and many more projects than originally anticipated are being formulated without the accountability of further consideration by the Congress.

The budget proposes that, beginning in 2006, 70 percent of all revenues from these lands sales would be returned to the Treasury, with the percent of receipts deposited in the special account set at 15 percent. The amount of revenue currently provided to the State and to the water and airport authorities would not change. Total combined revenues retained in the State would total 30 percent, with revenues for 2006 for these purposes projected at \$292.3 million, an amount four times larger than original projections in 1998 at time of enactment of the legislation.

*BLM Range Improvement.*—The budget for BLM proposes to discontinue mandatory appropriations from the Range Improvement Fund totaling \$10.0 million annually. Instead, revenues will be deposited to the Treasury. To address rangeland improvement needs, the discretionary budget request for BLM includes \$6.0 million to focus on projects to improve rangeland health conditions, such as weed control, essentially replacing funding provided through the Fund. These projects are part of the Department's cooperative conservation request and will be matched by partners. Other operational increases for BLM, including \$7.0 million for sagebrush habitat and sage grouse protection and \$1.3 million for invasive weed control, will also support rangeland improvement goals.

#### MANAGEMENT EXCELLENCE

As public demands for Interior services increase—from Indian children who need schools to visitors who seek more outdoor recreational opportunities on our public lands—Interior must continue to enhance service and spend dollars wisely. Behind all our programs, out of the limelight, rests a management foundation through which we strive to improve program efficiency and effectiveness. The Departments and its bureaus continue to implement performance improvements.

Our 2006 budget includes investments in tools to enable our employees to do their jobs more efficiently and generate cost savings by implementing standardized systems.

The Department currently uses 26 different financial management systems and over 100 different property systems. Employees must enter procurement trans-

actions multiple times in different systems so that the data are captured in real property inventories, financial systems, and acquisition systems. This fractured approach is both costly and burdensome to manage. We have underway an integration of our financial and business management systems to streamline and modernize basic administrative activities.

Our budget proposes an increase of \$9.5 million to support continued implementation of the Financial and Business Management System that will integrate financial management, procurement, property management and other systems. Through this effort, we will reengineer administrative processes throughout the Department. As the new system becomes fully operational, we will retire over 80 legacy systems and replace their functions with standardized business processes within the new, integrated system. In 2006, the National Park Service and Fish and Wildlife Service are scheduled to transition to the new system.

The 2006 budget includes a \$7.0 million increase for continued implementation of the Enterprise Services Network. The network leverages the existing BIA Trustnet, expanding it Department-wide, to provide secure, state-of-the-art internet and intranet connections and a fully functional operational center for data communications. In addition to providing better services for many Interior offices, the system will provide a uniformly secure environment, standardized and efficient 24-hour/7-day operations, and improved technical support.

#### CONCLUSION

The budget plays a key role in advancing our vision of healthy lands, thriving communities, and dynamic economies. Behind these numbers lie people, places, and partnerships. Our goals become reality through the energy and creativity efforts of our employees, volunteers, and partners. They provide the foundation for achieving the goals highlighted in our 2006 budget.

This concludes my overview of the 2006 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

Senator BURNS. Thank you, Madam Secretary. Now we have been joined by the chairman of the full committee. Senator Cochran, do you have any statement or anything that you want to add to this illustrious group?

#### STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Thank you, Mr. Chairman. I am pleased to join you this morning and greet the Secretary of Interior, commending her for her strong leadership at the Department and congratulating her for her continued service as Secretary. We appreciate your willingness to do this very difficult but important job.

I look forward to hearing more about the budget request and also any requests that you want to tell us about in connection with the supplemental request that is coming up. I understand there may be supplemental funds in the 2005 year needed by the Department of the Interior, and since that is coming up pretty soon, I would like to know what the specifics are about that request.

Senator BURNS. Thank you, Mr. Chairman.

We have been joined by Senator Feinstein, a valuable member of this panel, and we welcome you this morning.

#### STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I have a number of questions. I will hold for my turn, but I just wanted to say two things.

The first is I want to thank the Secretary for her help with CALFED and particularly Jason Peltier. I want to thank him for his help and Bennett for his help as well. It is very much appreciated. Thanks to members of this committee and other places, we

got the bill through both houses and signed. I am really quite delighted. So thank you.

I also want to welcome Lynn Scarlett and I want her to know because she is soon to be Deputy Secretary, that I would have introduced you yesterday if I could have. You are from a great city in my State, and I certainly want to welcome you and look forward to working with you.

Those are my comments. Thank you, Mr. Chairman.

Senator BURNS. Thank you.

We will probably never make it through all these questions.

Secretary NORTON. I think I am glad to hear that.

Senator BURNS. By the time we do that, we will all be vested if you just walked into the Congress, I will tell you this.

#### WILD HORSE AND BURRO PROGRAM

But there is something that has been sort of my topic here and the source of many of my phone calls is the Wild Horse and Burro program. As you know, we have grappled with this program many, many years. I know there were a lot of people who had their reservations about this. Could you update us on the sale program? Because I understand you have been through one now, I think, maybe more. You might update us.

The Department has taken great steps and has worked very hard that these horses be sold under the right circumstances and for the right reasons. Could you bring us up to date on what is happening in that particular program?

Secretary NORTON. Mr. Chairman, we have been working hard with the Wild Horse and Burro program to find creative ways to address our wild horse population. Obviously, we have the horses that are on the range and we are looking at things like birth control for those, as well as trying to keep to appropriate management levels.

For those that are in our adoption program or long-term care, we are doing things like, for example, working with Indian tribes to see if some of those would be interested in having some horses for their lands. We are working with ranchers. There was one that recently, it is my understanding, took about 200 wild horses with the idea of working on further adoptions through his own initiative.

We believe that there are people who would be interested in horses both in expanded attempts to try and get the young horses for gentling; as well as some people that just have open lands and would be happy to welcome these horses.

We are working with some additional flexibility we have, because of your actions, to see that the horses go to good locations. We do recognize the sale authority that you have provided. Our activities right now are focusing on trying to find creative ways to avoid having those horses be in long-term Federal care, which is very expensive.

Senator BURNS. Well, it was my intention all along. I think America's imagination will get these horses taken care of. This old business of everybody thought they would all go to slaughter was crazy. I know better than that. Those people who would proclaim that know very little about the livestock business, to be right honest with you.

## RECREATION FEE PROGRAM

Recreation Fee program. Let us shift gears here a little bit. Last year in the omnibus appropriation bill, the Congress extended the Recreation Fee program on a long-term basis. I fought this move along with other members of the subcommittee because I believe authorizing committees of jurisdiction were the appropriate bodies to deal with this legislation, but we did not prevail.

You are aware, Madam Secretary, that there is still some disagreement out in the land about whether these fees are appropriate, on what activities they should be collected, and how the collection should be spent.

Are there things in last year's authorizing bill that will help address some of these concerns, and how will the new program be different than the fee program that has existed for the past several years?

Secretary NORTON. We certainly, Mr. Chairman, did recognize the concerns that were raised by a number of people about fees being charged in inappropriate places or having fees be used for things that were not really providing the visitor services that we need. We learned from the demonstration project what things work and what things do not.

In the new authorizing legislation, there are specific requirements about what kinds of facilities need to be provided to people to justify the charging of fees. I know we are going through our specific areas to make sure that they are in compliance with the new legislation. I understand the Forest Service is also going through that exercise.

In addition to that, the legislation establishes recreation resource advisory councils so that we have members of the public reviewing any new fees being charged in new areas and providing us direct feedback on whether those were a good ideas or not. We would have to report if we wanted to charge a fee despite the recommendation of that advisory committee.

This is a work in progress and we understand that public support for fees can be very good if people feel like they are getting their money's worth. It is very, very rare for this to happen, I think anywhere in life for people to say you ought to charge more. But I have had people stand up in public meetings that we have done and say, "you do not charge enough for your public lands. I pay a whole lot more for any other form of recreation for my family than when going to visit a national park."

We want to be sure, though, when we do that, to see that the fees are being used for appropriate activities and to demonstrate to people that they are being used appropriately. We want to continue working with you, with Members of Congress that might have complaints on a local level about fees to see that we are carrying forward this very important management tool in a responsible way.

Senator BURNS. Well, I thank you. I will just answer, not as a Senator but as an auctioneer, take the money.

For those who want to give more, let them spend more.



## BLACKFOOT CHALLENGE

I will have one more question, and this is really important in my State. This is probably one of the largest actions that I have had the privilege of working on. The Blackfoot River watershed is an extraordinary place up in Montana. If you have not been there, I would certainly invite you, along with Ms. Scarlett, to join me up there this summer.

The great strength of this valley is its community of citizen stewards led by the Blackfoot Challenge. It exemplifies the spirit of cooperation and conservation that you, the President, and I are working to encourage and we support. We have been working hard to help the challenge achieve its goal of conserving this remarkable place and the community that lives there. I have been pleased the President requested funding to support this community-led initiative in both the 2005 and 2006 Forest Service budget.

I am concerned, however, that your Department has not been supportive of this project as it should have been, despite the participation of the local BLM and Fish and Wildlife officials from the get-go. Can you explain to me why the Department has yet to recognize the conservation opportunities that the local community, the Forest Service, and the Congress have clearly recognized? I am particularly concerned that the BLM, an agency whose mission I strongly support, has not been acting in support of this project?

Secretary NORTON. I would be happy to look into that. It sounds like an ideal project for many of our cooperative conservation grants. So there may be some opportunities for them to apply for competitive grants.

[The information follows:]

## BLACKFOOT CHALLENGE

Secretary NORTON. The Blackfoot River Watershed Land and Water Conservation Fund LWCF project is part of a multi-phase land acquisition project. In order to implement the project, BLM is conducting appraisals, land use planning, and environmental clearances for the project. During fiscal year 2004, the Bureau carried over \$2.9 million in funding appropriated for the project. The Phase I Acquisition was completed in February 2005 with the acquisition of 2,500 acres. During fiscal year 2005, an additional \$4.9 million was appropriated for the purchase of approximately 4,000 acres. The BLM will complete the appraisal on the Phase II Acquisition by the end of fiscal year 2005, and has completed the appraisal on the Phase III Acquisition.

Secretary NORTON. Also, the Bureau of Land Management, the Fish and Wildlife Service, and National Park Service have challenge grant programs that are essentially available to our managers to apply for assistance to help fund projects that are working in cooperation with local communities. We very strongly support that type of multi-agency, public/private, Federal, State, local kind of approach, and our grant programs are really designed to encourage and facilitate those activities.

Senator BURNS. Well, as you know, this was a homegrown agreement and it has got a lot of moving parts to it. There is no doubt about that.

## CONSERVATION EASEMENT PROGRAMS

Last fall your Fish and Wildlife Service Director, Steve Williams, announced the start of planning for the conservation easement pro-

grams to protect working landscapes and natural resources along the Rocky Mountain front and also in this particular place. I hope this program will be a fine example of cooperative conservation by ranchers, conservationists, and the Service.

When do you expect this long-delayed planning effort to be completed? Do you have any idea?

Secretary NORTON. I am sorry. We do not have that information with us, but we will be happy to provide it.

[The information follows:]

#### PROPOSED ROCKY MOUNTAIN FRONT CONSERVATION EASEMENT PROGRAM

The U.S. Fish and Wildlife Service proposed to expand its existing conservation easement program to include a new project area along the Rocky Mountain Front, in north-central Montana. The proposed Rocky Mountain Front Conservation Easement Program would authorize the Service to use Land and Water Conservation Fund monies to purchase easements from willing sellers on up to 170,000 acres of private land. The goal of the Program is to work proactively with private landowners to protect important habitat and maintain connectivity between core blocks ("biological anchors") of public and private conservation lands.

The Program would not authorize any fee title acquisition. A local landowner advisory council, consisting of ranchers, business owners and government officials from Lewis & Clark, Teton, and Pondera Counties, strongly support a conservation easement approach as a means of conserving the historic ranching heritage on the Front.

The Front is a high-priority conservation area for the Service and its partners in the conservation community, including the State of Montana, the Boone and Crockett Club, and The Nature Conservancy, because it is the only remaining landscape in the Continental United States with a complete, intact and functional assemblage of large mammalian carnivores, including the grizzly bear, gray wolf, wolverine, and lynx.

The Preliminary Project Proposal for the Program was approved by the Service's Mountain-Prairie Regional Office in April, 2002 and forwarded to the Director's office for approval. The Director approved the PPP in October, 2004. This approval provided the Service's Regional Office with the authority to proceed with detailed planning to consider the establishment of the easement program. Since October, the regional planning team has met with the Montana Congressional delegation, conservation and sportsmen's groups, federal agencies, state and local governments, tribes, and various local business interests. The team has also held three public scoping meetings at various locations near the project area.

The Regional Office is currently developing an Environmental Assessment, pursuant to the National Environmental Policy Act, to analyze the effects of establishing an easement program on the Front. The Region's goal is to complete the EA in the Spring of 2005. Per current Service policy, the EA, FONSI and associated documents will then be submitted to the Director for his concurrence.

Senator BURNS. Oh, good. That is that big packet that is going to show up on your doorstep.

Senator Dorgan.

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

#### TRIBAL COLLEGES

Madam Secretary, let me ask, as you might expect me to ask, about tribal colleges. As I indicated, the proposed cut in funding for tribal colleges really will wipe out the 2 years of progress that Senator Burns and I and other Members of the Congress have made on tribal college funding. Can you describe why these cuts are being proposed?

Secretary NORTON. We have had to make some tough choices, as we have looked through our Department for ways to handle our Indian trust responsibilities, as well as to meet the overall needs with a tight budget. What we have done is to look to other Depart-

ments, in part, and the cooperation that we can do with other Departments to see how those issues can be addressed.

Since 1996, the student count at tribal community colleges has increased by 41 percent. At the same time, our funding will have increased by 61 percent through the 2006 budget. The President's budget provides about \$9,500 per student at tribally controlled universities, funded by the BIA and the Department of Education, and the average community college receives about \$6,600 in revenue from all sources.

We are working, first of all, with the Department of Labor. They have a jobs program that provides about \$250 million to community colleges across the country. We met with them and talked about how we can make sure that the colleges that we are involved with are eligible for that and involved in that. The Assistant Secretary that deals with those programs has agreed to have our Assistant Secretary for Indian Affairs, or the person acting in that capacity, to be on the selection committee as grants are being made for those programs.

We also have talked with the people at United Tribes Technical College to see if there are some opportunities for using their facilities and working together on training that we need for our employees in the Bureau of Indian Affairs and Office of Special Trustee; and to see if there are ways we can work with their graduates because I think they have some skills that we need.

Senator DORGAN. Madam Secretary, I wonder if my staff could work with your staff. We have a very different view of support of these students. You are suggesting the support is nearly double the support of students in community colleges. My figures show it is about 50 percent, half. So there is a very wide disagreement here. I would like my staff to engage with your budget folks and see if we can understand what the facts are there.

Secretary NORTON. I would appreciate that.

[The information follows:]

#### TRIBAL COLLEGE FUNDING

The Department has provided information to the Senator's staff on the per-student funding at tribal colleges. Additional information can be provided upon request.

#### STATESIDE GRANTS PROGRAM

Senator DORGAN. Land and Water Conservation grants. Your budget would eliminate the State-side assistance grants through the LWCF. The Senate budget actually includes slightly over \$1 billion for those same grants, but that is paid for by the ANWR revenues. On the other hand, your recommendation for eliminating the grants, I believe, is saying that that money is more appropriately funded through State revenues or bonding I guess. Is that correct?

Secretary NORTON. Actually a variety of our conservation grants that are funded through the Land and Water Conservation Fund. The State grants are just one aspect of that. We strongly support having various programs that are funded through the Land and Water Conservation Fund that all go toward open space, environmental protection, and so forth.

As to the State assistance grants, there was a study done by the Office of Management and Budget that reviewed that program.

Senator DORGAN. Is this PART?

Secretary NORTON. Yes, it is.

Senator DORGAN. The infamous PART study.

Secretary NORTON. Yes. It is the PART study.

We have been enthusiastic about that program, but as we looked at it more closely, we found that it did not do as good a job in having clearly defined goals and in meeting those goals as some other programs. Our other programs allow us to see that environmental needs are really prioritized. It has allowed us to deal with endangered species such as sage grouse. It has allowed us to restore wetlands, things that are not really captured within that State-side program.

Senator DORGAN. As you know, the PART studies have been very controversial. Would you think maybe we should have a PART study of the Office of Management and Budget?

Secretary NORTON. I will let you all decide that.

#### BIA SCHOOL REPLACEMENT FUNDING

Senator DORGAN. Let me ask about BIA school replacement funding. As you know, that is another situation that many of us care deeply about. 184 schools are operated by the BIA, 48,000 kids. There is a very substantial cut in replacement funding. My understanding is that it is because there are carryover funds, and yet, for example, in the National Park Service there are much greater carryover funds. Yet, their construction funding is actually up when, in fact, BIA school construction funding is cut rather dramatically. Can you describe the reason for that?

Secretary NORTON. Over the last 4 years, we have obtained a total of over \$1.1 billion in funding for construction of Indian schools and have been working to see that those schools are actually constructed. We now have 34 schools that have been funded through our programs. Only nine have been completed. Our focus right now is really working with the tribes on getting the construction completed.

We, nevertheless, are continuing funding at a level that is nearly three times as high as it was in the late 1990's. We are providing very substantial funding for repair work at the schools. It is not quite \$1 million per school on average but it is a very high level of funding. So we are going to be working through time to address this issue and to try to be sure that we continue to work towards better quality schools for our Indian children.

Senator DORGAN. You know, one-third of those schools are defined as in "poor quality." So my concern, Mr. Chairman, is that cutting the construction funding at a time when fully one-third of those schools for young Indian children run by the BIA are poor quality schools. I really think we need to try to continue that funding process.

Well, Madam Secretary, my colleagues I know want to ask questions. Senator McCain and I have a bill over in Commerce that is being marked up, and I need to go over there.

I would like to submit some additional questions. Again, while we might disagree from time to time on some issues, I appreciate

your service to our country, and I hope that you will accept the questions that I will just submit in writing in order to save some time this morning.

Senator BURNS. Thank you, Senator Dorgan.

Senator Leahy.

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

#### ARCTIC NATIONAL WILDLIFE REFUGE LEASE SALES

Secretary Norton, I had mentioned the Budget Committee's language which says that we will get \$2.4 billion in revenues in 2007 from lease sales on the Arctic Refuge. How much will the leases have to sell for to reach that \$2.4 billion?

Secretary NORTON. I do not have that number handy. I assume your calculation is fairly correct.

If I can explain the process that we would go through and also that resource.

Senator LEAHY. And if you might also point out, if they would have to sell for between \$4,000 and \$6,000 per acre, when the average has been around \$50 per acre, why that sudden jump, or is it kind of smoke and mirrors as a way to use the budget resolution as a way to get through ANWR in a way it might not get through otherwise?

Secretary NORTON. The figures you are using for comparison are from the National Petroleum Reserve. There we have an area of 23 million acres that has a resource estimated amount that is smaller than the amount of oil that is predicted to be in the 1.5 million acres of ANWR that would be considered for energy exploration. So, in effect, you have more oil in one-twentieth of the acreage than you have in the National Petroleum Reserve.

Senator LEAHY. Even if you made it 20 times, it still does not get anywhere near the \$4,000 to \$6,000.

Secretary NORTON. Actually we have areas in the National Petroleum Reserve where we have received about \$1,000 an acre.

Senator LEAHY. Here you would have to get \$4,000 to \$6,000, and a number of the companies have pulled out of the industry lobbying firm that is pushing for this drilling. I just wonder how these figures come. I really would like a very clear answer. In doing that, what kind of a split does that assume with Alaska?

Secretary NORTON. First of all, the Congressional Budget Office did its own analysis and their analysis reached a higher number than ours did. My understanding is the split with Alaska would be the 50/50 split that is the arrangement through the Mineral Leasing Act with all of the other States in which—

Senator LEAHY. Governor Murkowski said Alaska will sue the Federal Government if they do not get 90 percent.

Secretary NORTON. I understand that the 90/10 split is a popular position in Alaska, but certainly everything I have heard from the Congress is a 50/50 split.

Senator LEAHY. Would the administration fight Governor Murkowski on that?

Secretary NORTON. Yes. Our understanding is the appropriate approach is a 50/50 split, or whatever Congress designates in the legislation, but that is what we assume it would be.

## FWS FISH HATCHERIES

Senator LEAHY. Well, I am glad to hear you say whatever we designate in the legislation.

It raises another area. I am thinking back at the beginning of the administration, one of the catch phrases your Department used was it put the fish back in the Fish and Wildlife Service, something I certainly agree with and I expect most of us would. I was informed last year that region 5 faced such severe budget shortfalls that the Pittsford Hatchery on the New Hampshire-Vermont border would close. Salmon production at the White River Hatchery in my State would be cut by more than 60 percent. Similar cuts are proposed for other hatcheries in the region. It decimated efforts to restore Atlantic salmon to the Connecticut River.

Now, Chairman Burns and Senator Dorgan put in extra funds, and reprogramming language allowed the Service to avoid these cuts, and I appreciate that. Then the Department ignored congressional direction in the 2005 appropriations bill to increase the base fisheries budget in 2006.

So do we have a commitment to keep these facilities running at the 2005 level, as the appropriations bill had said?

Secretary NORTON. Our overall approach on the fisheries budget has been an increase. There was a \$4 million increase last year, and our budget for 2006 includes an additional increase of \$2.7 million for hatchery operations and maintenance. The reductions in the fisheries program were in congressional earmarks. Offsetting these reductions, we also have significant increases in competitive wildlife grant programs of \$38 million and in partnership cost-share programs of \$37 million.

Senator LEAHY. Does that mean you will or will not ignore the congressional direction in the 2005 appropriations to increase the base fishery budget in 2006?

Secretary NORTON. I believe we have increased the base fisheries budget, and I believe the answer I just gave you is indicative of an increase.

Senator LEAHY. So your commitment is these facilities will keep running at the 2005 level?

Secretary NORTON. I do not have information about specific facilities and how the Fish and Wildlife Service is allocating that.

Senator LEAHY. Would you answer for the record then whether they will be kept at the 2005 level, which is basically what the congressional directive was?

Secretary NORTON. Do we have information about the Vermont facilities?

Mr. TREZISE. Senator Leahy, we will have to submit specific numbers for the record. A portion of the 2006 increase that we have requested has not been allocated to individual hatcheries. It is certainly, though, as I understand it, the intention of the Fish and Wildlife Service to use that increase across the system to maintain hatchery operations at least at the 2005 level.

Senator LEAHY. So they would be kept running at the 2005 level?

Mr. TREZISE. It is my understanding that is the Service's intention, yes.

[The information follows:]

## NEW ENGLAND NATIONAL FISH HATCHERY FUNDING

Final fiscal year 2006 allocations to both Pittsford and White River NFH's will be dependent on actual appropriation amounts received, but assuming the Service receives the same level of base funding in fiscal year 2006 as was received in fiscal year 2005, plus requested pay uncontrollable funding, the Service intends to fund both Pittsford and White River NFH's at the same levels as in fiscal year 2005.

The fiscal year 2006 President's Budget request includes a net increase of \$2.111 million in Hatchery Operations; within this amount, \$44,000 is requested to partially restore the across-the-board rescissions received in the fiscal year 2005 appropriations, and \$2.231 million is requested to implement 34 high priority FONS projects which are identified in the budget request. Offsetting reductions include a technical adjustment to shift \$158,000 to Fish and Wildlife Management Assistance and \$6,000 in expected savings through improved vehicle management. An additional \$796,000 is also requested for pay and uncontrollables. The funds requested to offset the fiscal year 2005 rescissions and for pay and uncontrollables will be used across the system to maintain hatchery operations at the 2005 level to the extent possible. The funds requested to implement the 34 high priority FONS projects will be allocated to the specific stations implementing those projects. Neither Pittsford nor White River National Fish Hatcheries have been identified as receiving any of these funds.

Senator LEAHY. Then we have the potential effects of cuts to the fishery budget at the Lake Champlain management office. One of the things they do is control sea lampreys in the lake, something Vermont and New York have worked on. We have finally turned the corner in controlling the invasive species that is devastating our salmon and lake trout population. Vermont, Governor Pataki, and others have worked hard on this. Governor Douglas in Vermont, Governor Pataki in New York. Can we assure them that the Department will not cut its support for this program?

Mr. TREZISE. Senator Leahy, base funding for the operation of the office is continued in the 2006 budget at the same level as in 2005.

Senator LEAHY. And can you answer specifically for the record whether there will not be cuts in this critical program?

Mr. TREZISE. We will have to answer for the record.

[The information follows:]

## LAKE CHAMPLAIN FISHERIES

The Service is committed to its partnership with New York State Department of Environmental Conservation and Vermont Fish and Wildlife Department in the Lake Champlain Fish and Wildlife Management Cooperative, which manages the fish and wildlife resources of Lake Champlain. Sea lamprey management is central to the Cooperative's long-term effort to restore native species and improve recreational fisheries worth an estimated \$200 million annually.

The Service and its State partners implement a multifaceted approach to controlling parasitic sea lamprey populations by installing barriers to spawning migrations, trapping migrating adults and applying target-specific pesticides, known as lampricides. To guide these control efforts, the Service conducts quantitative sea lamprey assessment surveys and numerous presence/absence surveys in tributaries and delta areas throughout the basin. In addition, the Service supports extensive regulatory/permit requirements and places high priority on the development and investigation of sea lamprey control techniques that may provide useful alternatives to lampricides, engaging a variety of stakeholders to further the science of sea lamprey management.

Approximately 70 percent of the Service's Fish and Wildlife Management Assistance program budget on Lake Champlain is focused on sea lamprey management and associated restoration of native fish species. Direct management of sea lamprey accounts for approximately 50 percent of the Service's Fish and Wildlife Management Assistance program budget, while related salmonid assessment and restoration activities account for an additional 20 percent.

Final fiscal year 2006 allocations to the Lake Champlain Fish and Wildlife Resources Office will be dependent on actual appropriation amounts received, but as-

suming the Service receives the same level of base funding in fiscal year 2006 as was received in fiscal year 2005, plus requested pay uncontrollable funding, the Service intends to fund this office and its sea lamprey management activities at the same levels as in fiscal year 2005.

#### ANWR LEASE SALES

Senator LEAHY. Madam Secretary, I am not trying to play games on the lease sales and the amount. Obviously, your Department is going to have to have specific figures of what those lease sales are going to be. Can you supply for the record, as soon as possible, specifically what your Department estimates the lease sales will be?

Secretary NORTON. That information is included within the budget.

The other point that I should make is that before lease sales would occur, there would be additional very high-tech seismic work done in that area. So everyone would have a much better understanding of exactly what resources are there and where they are located. So that could make a difference either positively or negatively.

Senator LEAHY. And I understand that, and that is fair. But somebody had to make some estimates to get to \$2.4 billion.

Secretary NORTON. Those are the same figures that have been used for about a decade and have not been adjusted upward with the new increases in the price of oil.

Senator LEAHY. I understand. But you will keep us posted if those figures are changing or if those figures are still valid in your Department? Maybe I should ask the question this way. Are those figures still valid in your Department today and will you let us know if they change?

Secretary NORTON. We believe those are valid figures, and we would let you know if those change, but I do not anticipate any change during this current year.

Senator LEAHY. Thank you, Mr. Chairman.

Senator BURNS. Thank you, Senator Leahy.

Senator Cochran.

#### NATCHEZ TRACE PARKWAY

Senator COCHRAN. Madam Secretary, we are very pleased that in May we are going to celebrate the completion of the Natchez Trace Parkway, which spans the distance between Natchez, Mississippi and Nashville, Tennessee. There are a lot of living history sites along the way, and it is a beautiful parkway. I mention that in hopes that you may be able to come to the celebration. There are going to be two events in Mississippi: one in Clinton, Mississippi very near Jackson, which is one of the areas that was last completed along the parkway; and at Natchez, which, of course, is the southern terminus of the parkway, but is also the site of the Natchez Historical Park, which enhances the pleasure of those who visit that area of our State. It is a great achievement.

It was started by authorizing legislation 67 years ago. I remember it because that is the year I was born. It has taken that long to finish the parkway. But it is due to the hard work of a lot of people along through the years and many in the administration have taken an active part in it.



I was just thinking about one of the highlights, the establishment of the National Historical Park at Natchez. Manuel Lujan was the Secretary of Interior at that time. He came to Natchez and spoke at the dedication of one of the facilities that had been included in the parkway, one of the antebellum homes, Melrose, which provides visitors an opportunity to understand a little bit about the way of life back in the early days of that region of the country, one of the earliest settled areas of the new United States, as a matter of fact.

I bring that up to mention that the Department's continued support for maintenance and the pleasure of visitors who come to see that area would be deeply appreciated. The superintendent of the parkway, Wendall Simpson, is an outstanding individual whose has devoted a lot of time and effort and hard work to the completion of the project, but also to the enhancement of the beauty, maintaining the parkway. It has really been a great thing to observe over the years, and it is culminating in the final completion of the parkway.

I will get you the dates. So you will have a look at your calendar. I hope you will be able to come down and help us celebrate this great occasion.

One of the interesting things too about the northern area of the parkway is, as you get up into Tennessee, you come to a site where Meriwether Lewis, from the famous Lewis and Clark Expedition, died. There is a marker there to commemorate his death and his life, and his contribution to the exploration of the new United States at the request of Thomas Jefferson. This is an area that is rich in history and significance for many reasons, and I am sure that at some point we will probably see a request coming in for a facility to be located up there in the Tennessee area so people can enjoy the significance of that part of the parkway as well.

Well, that is enough of the parochial interests. I wanted to bring that to your attention and let you know about how proud we are of the work of the Department in that area. And thank you and your colleagues at the Department for their help in making this a reality.

Secretary NORTON. Thank you very much. I recently read a book that was set in that area, and I do look forward to seeing it. I have heard so much about how beautiful that is.

#### MIGRATORY BIRD CONSERVATION COMMISSION

Also, I want to personally thank you for your work on the Migratory Bird Conservation Commission. You are a very dedicated member of the Commission and have put a lot of your personal time into seeing the success of the work of that commission. I appreciate that.

Senator COCHRAN. Thank you. It is a pleasure working with you on that Commission. You chair it. You are the chairwoman.

#### HOLT COLLIER WILDLIFE REFUGE

We are also happy that recently we celebrated a new opening of a wildlife refuge. We dedicated the Holt Collier Wildlife Refuge, the first wildlife refuge to be named for an African American. He is the fellow who took Theodore Roosevelt on the bear hunt down in the

Mississippi Delta where the bear was lassoed because he was about to get away, and they said, shoot the bear, Mr. President, and he would not shoot the bear because they had a rope around his neck. Some cartoonist in New York put that in the newspaper in a story about it, and hence, the teddy bear. An enterprising toy store owner decided to capitalize on the notoriety of Teddy Roosevelt.

So we had a great celebration the other day at the Mississippi Museum of Natural History where we dedicated this new refuge. But it is one of many throughout the country that help serve the purpose of wildlife habitat protection, and part of the funds that people pay for duck stamps and the privilege of hunting migratory birds is to go into a fund where we set aside certain amounts to protect wildlife habitat. This is one of the newest areas in our State that joins the refuge system. Fittingly enough, it is a part of the Theodore Roosevelt Wildlife Refuge system in our State. We are very proud of that connection with the former President.

#### TSUNAMI WARNING SYSTEM FUNDING

Let me ask you a question about the supplemental. I had some notes from my staff indicating that there would be a request for additional funds for supplemental funding for a tsunami warning system, and that involves the USGS, U.S. Geological Survey, and the National Oceanic and Atmospheric Administration. Is that something that the Department is involved in in some way? Could you tell us what your needs are in connection with this supplemental request?

Secretary NORTON. The U.S. Geological Survey provides half of the equation in trying to determine tsunamis. We are the ones that monitor earthquakes all over the world and are able to quickly determine the size, intensity, and location of the earthquakes, and then that information is given to the National Oceanic and Atmospheric Administration that has wave monitors and so forth that then can provide tsunami warnings.

Since the very tragic situation in the Indian Ocean, we have focused on our activities, as well as those of NOAA, to determine how we can be most effective both internationally but also in protecting our own coastline.

From the Department of the Interior perspective, we want to make sure that our National Earthquake Center, which is in Golden, Colorado, is staffed 24 hours a day, 7 days a week, and that we are able to quickly provide information. We are also looking at other enhancements to our system.

Lynn, would you like to add something on that?

Ms. SCARLETT. Yes. As part of that effort, I believe in the supplemental there is a proposal for the Department of the Interior and USGS for about \$8 million, with an additional \$5 million in our 2006 budget request that would amplify that.

Senator COCHRAN. Is that fund that you are requesting the \$8.1 million—that is consistent with my information as well. Is that needed in this fiscal year or should it be made a part of the next year's appropriation? What is the urgency? How will the money be spent if it is provided in the supplemental?

Mr. TREZISE. Senator Cochran, most of that money is for technology upgrades, both hardware and software, that need to be initi-

ated now so that we can get them in place as soon as possible, and certainly in 2006, to have a higher level of ability to monitor and disseminate information on earthquakes.

Senator COCHRAN. Will this protect the United States and its territories, or will it protect other areas such as in the Indian Ocean?

Secretary NORTON. There are protections that will assist with both. In many parts of the world, there are earthquake monitors that exist that provide information to our system, but they are not directly wired into our system to get information in real time. You have to have somebody go out and check and send in the information. So being able to have immediate access to that will help worldwide.

We also want to look more closely at our own coasts and especially in the Gulf of Mexico area to see that we are enhancing our ability in those areas. The most vulnerable areas are actually our territories as opposed to the U.S. coastline, but we want to see that we are looking at the Gulf of Mexico.

#### HEALTHY FORESTS RESTORATION ACT

Senator COCHRAN. My final comment is about your cooperation and leadership in the implementation of the Healthy Forests Restoration Act, which we passed here in Congress. We thank you for your leadership in implementing that legislation. We hope that you will let us know about the levels of funding that you may need to help ensure that we continue to do a good job of stewardship not only with our U.S. forest lands but also to assist private landowners in helping to protect their lands, and that is part of this restoration act as well. Thank you very much.

Secretary NORTON. Thank you.

Senator BURNS. Thank you, Senator Cochran.

#### CONTRACT SUPPORT COSTS

In the area of contract support costs in the recent court decision, the court ruled that tribes have not been fully reimbursed for self-termination contracts that they have entered into with the Indian Health Service and the Bureau of Indian Affairs. Can you give us a short synopsis of the Supreme Court decision and how that impacts the Department of the Interior?

Secretary NORTON. As you mentioned, that is a very recent decision. Our lawyers in the Solicitor's Office are taking a close look at that decision. Their preliminary analysis is that the decision will not require significant retroactive payments by the Bureau of Indian Affairs.

As the subcommittee is aware, for a number of years, the Interior Appropriations Act has contained bill language that caps the amount of funding available for contract support for both BIA and the Indian Health Service. The Cherokee Nation case involved claims for contract support from IHS for a period before the legislative cap was put in place. The Office of the Solicitor indicates that there are no pending cases against BIA involving claims for contract support for years prior to the legislative cap.

Senator BURNS. Will this budget that we are talking about here impact this 2006 fiscal year? And should there be any left for the 2005?

Ms. SCARLETT. I do not believe we anticipate an impact for 2006 nor for 2005.

#### PRESERVE AMERICA PROGRAM

Senator BURNS. I, like Senator Dorgan, am concerned about Preserve America. We have several programs out there right now, as you well know, that deal with American heritage spots, and now we have added another one here. Give me your idea. How come we cannot assume that there is a lot of redundancy here, and how will this new program be different than the ones that we already have in existence?

Secretary NORTON. Preserve America differs from our other programs in a couple of ways.

First of all, the Save America's Treasures Program is a very good program and we do continue that program, although we would propose reducing funding. That program focuses on bricks and mortar.

We also have the heritage area program which is somewhat more akin to Preserve America in focusing on heritage tourism and on local efforts to try to incorporate historic preservation into tourism and into commercial activities.

The Preserve America program is a competitive grant program. It does not create the kind of ongoing Federal funding relationship that is created by the heritage area program. It is something that is available to more communities and is more focused on assisting community efforts. It does more to really bring in a public/private partnership for protection of our historic heritage.

Senator BURNS. We may have a little discussion about that later on, but we will try and work our way through it.

#### RURAL FIRE ASSISTANCE

In the Bureau of Land Management, rural fire assistance. I am very concerned about this. You have proposed an elimination of that program administered by the BLM. The budget justifies this cut by arguing that the Forest Service and FEMA have similar programs. I must point out to you that the Forest Service account for State and local fire assistance was cut by \$22 million. We just had the chief up here the other day and talked about that. The FEMA assistance grant has been cut by almost \$100 million. So what you have done here sort of impacts this whole thing. So can you explain the rationale for eliminating your program?

Secretary NORTON. Our program was yet another grant program, a very small one in comparison with the other programs. It seemed like a duplication of effort with what the other larger programs were already doing. We work very closely with the Forest Service on all aspects of our forest fire activities.

We are also working with FEMA very closely. As you know, a lot of their program funds originally went to things that were related to homeland security and they have put in place a lot of activities and funding for that. We also have an MOU with them and we are working to refine that to have their much larger funding—this year the program is funded at \$500 million—to have some of that be available for rural fire assistance. So we felt like overall from the Federal Government, it was a more efficient way to deliver those grant funds.

Senator BURNS. If you—I am sorry, Ms. Scarlett. Would you like to comment?

Ms. SCARLETT. I might add to that. We also have \$1.9 million within the preparedness program that would also go towards rural fire assistance directly from the Department of the Interior, and then we would be augmenting that by working with the funds that the Secretary noted from FEMA.

Senator BURNS. If you could do a report on how you think interacting with the other agencies such as FEMA and the Forest Service and sort of lay that out for the concerns of the committee. We are looking at probably the lowest snowpack that I have ever seen in the State of Montana, and we are not any better off in the plains where most of the BLM land is. And of course, in Montana most of the forests are with the Forest Service. If we do not have a very good April, May, and June, I fear we are in deep trouble. So that is why I am concerned about this. If you could give us some idea on how you will interact, understanding the conditions of the northern high plains.

I realize down in Colorado that is your home country, that jet stream just went south this year and it stayed down there, and when it does not whip up and down in your weather patterns, some places get caught off about that. But if you could have some sort of a report to us on how that interaction is going to happen and the dollars involved, I think it would allay a lot of concerns that this committee might have.

[The information follows:]

#### RURAL FIRE ASSISTANCE

The requested information on how the Department of the Interior's Wildland Fire Management program will work with FEMA and the Forest Service so that RFDs continue to receive federal assistance follows.

The National Fire Plan represents a long-term commitment and investment to help protect communities, natural resources, and most importantly, the lives of firefighters and the public from the risks of wildland fire. Rural fire departments are a vital resource in assisting the Department in meeting its fire management responsibilities. The program will continue to support these critical relationships through a variety of means.

The Rural Fire Assistance program was authorized in the Department of the Interior and Related Agencies Appropriations Act, 2001, Public Law 106-291, to enhance the fire protection capability of rural fire departments (RFDs). The program provides funds to rural/volunteer fire departments that serve small, rural communities to purchase training, equipment, and fire prevention activities. Funds are provided on a cost-shared basis. Participating bureaus include Bureau of Indian Affairs, National Park Service, Bureau of Land Management and U.S. Fish and Wildlife Service. Since 2001, the program has provided \$50 million in grants that have been used to train more than 12,000 firefighters, provide PPE to more than 100,000 firefighters, and conduct over 1,000 workshops in small communities.

The Department is committed to continuing to enhance RFDs' capacity to protect communities from wildfire while increasing their level of safety. The 2006 budget request includes \$1.9 million in new preparedness funding to further wildland fire training for RFDs. The ready reserve proposal would strengthen initial attack and develop extended attack capabilities by training 1,000-2000 firefighters each year and equipping them with personal protective equipment (PPE). Communities will benefit by having skilled cadres of local firefighters available to reduce loss of property and natural resources.

The Wildland Fire Leadership Council (WFLC) was established in April 2002 to implement and coordinate the National Fire Plan and provide leadership to address interagency differences to ensure seamless delivery of a coordinated fire protection program. Members include senior officials from the federal fire agencies, bureau heads, and state, tribal and county representatives. In January 2003, WFLC members from DOI, USDA, FEMA and the National Association of State Foresters

signed a Memorandum of Understanding (MOU) to promote consistent and systematic federal assistance to fire departments and support national efforts to improve firefighter safety, protect property, and save lives with respect to catastrophic wildland fire.

Under this agreement, partnering agencies developed a collaborative approach to review competitive applications for grant awards as well as discuss the various program parameters. While our relationship has been enhanced, the partnering agencies have also provided the public better information about our collaborative work.

The next step in furthering this collaboration is to enhance the existing MOU. Talks between the partnering agencies are underway, and have focused on means to emphasize the small rural departments that are vital to wildland fire initial attack success. In particular, the large FEMA Assistance to Firefighters Grant (AFG) program has a number of components that would be suitable to serve RFDs that perform wildland firefighting duties. This program seeks to support organizations that lack the tools and resources necessary to protect the health and safety of the public and their emergency response personnel with respect to fire and other hazards. Grants may also be used for training, equipment, and PPE, as well as fitness and wellness, and structure modifications not funded by RFA.

Discussions for MOU revision have included the following points:

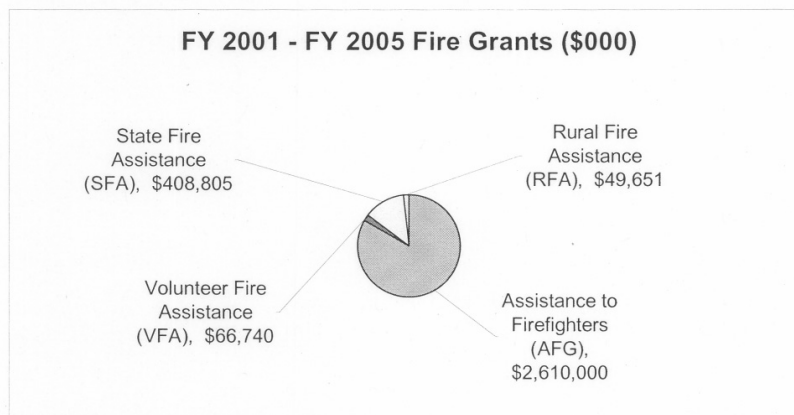
- Provide additional information to FEMA on wildland firefighting priorities and needs. This information could possibly be incorporated into annual guidance issued for prospective grant applicants or as website links.
- Further formalize DOI, Forest Service and FEMA peer review of FEMA awards. The existing MOU encourages sharing information about pending grant applications among the various partnering agencies, as well as coordinating application reviews. Efforts to further integrate all partners in the peer review process in some cases are restricted by authorizing statutes. For example, federal employees are prohibited from participating with members of fire service organizations for the purpose of determining criteria for awards. However, peer review panel chairs must be federal employees. Final language refining the level of federal participation appropriate in the criteria development process will be carefully considered.
- Share additional website information. This exchange will likely take the form of additional links between partners' websites, and should be readily accomplished.
- Coordinate educational efforts for grant workshops. These efforts will further "one-stop- shopping" so that grant workshops provide more information about the breadth of resources available to RFDs.

Within the larger AFG program are several smaller components that could be suitable for RFDs seeking assistance for wildland fire training and equipment. Fire Prevention and Firefighter Safety (FPS) grant applications will be accepted in September 2005. This 5 percent set-aside could be used for things like planning, coordinating, community awareness and Community Wildfire Protection Plans (CWPPs). The Staffing for Adequate Fire and Emergency Response (SAFER) grant program (new in 2005) will be open in June; guidance is still pending.

The Department recognizes constraints on the various federal grant programs. Efforts to best utilize scarce resources, further community protection and safety, and enhance RFDs' capacity to reduce the loss of property and natural resources provide the opportunity to evaluate the effectiveness of our overall interagency program delivery. We look forward to continued discussions with partnering agencies and expect to finalize an enhanced MOU by summer.

The following table summarizes agency fire grant appropriations from fiscal year 2001-fiscal year 2005.

AGENCY/PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Cumulative Totals
<b>FEMA</b>						
Assistance to Firefighters (AFG)	\$ 100,000	\$ 360,000	\$ 750,000	\$ 750,000	\$ 650,000	\$ 2,610,000
<b>USDA FS</b>						
Volunteer Fire Assistance (VFA)	\$ 13,251	\$ 13,315	\$ 13,193	\$ 13,175	\$ 13,806	\$ 66,740
State Fire Assistance (SFA)	\$ 77,828	\$ 81,693	\$ 91,738	\$ 84,447	\$ 73,099	\$ 408,805
<b>Total USDA FS</b>	<b>\$ 91,079</b>	<b>\$ 95,008</b>	<b>\$ 104,931</b>	<b>\$ 97,622</b>	<b>\$ 86,905</b>	<b>\$ 475,545</b>
<b>DOI</b>						
Rural Fire Assistance (RFA)	\$ 9,978	\$ 10,000	\$ 9,935	\$ 9,877	\$ 9,861	\$ 49,651
<b>TOTALS</b>	<b>\$ 201,057</b>	<b>\$ 465,008</b>	<b>\$ 864,866</b>	<b>\$ 857,499</b>	<b>\$ 746,766</b>	<b>\$ 3,135,196</b>



Senator BURNS. This is going to be my last question and then I am going to send this whole thing down to you.

#### RANGE IMPROVEMENT FUND

In the area of range improvement funds, I noticed you eliminate those monies. As you know, we work very closely in range improvement with the Society of Range Management, which is a rancher-funded organization, and use that. We still have work to do in habitat and riparian areas. That is how we really averted the sage grouse controversy because a lot of people took it at its word up front and went to work on that. A lot of States did, anyway, working with our grazers and our recreation people. I have some concern about that.

Also, I know this is hard to understand here in Washington, D.C., but you ought to go to some of these glitzy kind of receptions and somebody walks up to you and says what are you working on today, and you say weeds. See how fast you are standing there by yourself.

A lot of folks do not know the invasive weeds or noxious weeds that we have to contend with. That was part of this fund. So I am kind of concerned about that because we still have a weed problem.

Secretary NORTON. Mr. Chairman, our proposal is one that would continue our funding for those programs at the current level, working through our challenge cost-share program and deferred maintenance funding. What our proposal does is move away from mandatory funding for those purposes. We certainly recognize the importance of invasive weeds. I have my own share of understanding about cheat grass and things like that. We do recognize that is important. This is just a change in the way in which the funding is structured.

Senator BURNS. For years and years and years, groups have sought to eliminate grazing on public lands. The other day we saw where they actually paid a sheepman to come in and mob off the side of the mountain in order to get rid of weeds. That is the best control we have. They were so glad that they had come up with that idea, that grazing those things off is better than using chemicals or spray or hand eradication or anything like that. They came up with this idea they were going to use sheep to do it. Gosh, I wish I had thought of that.

Senator Feinstein.

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

#### RURAL AND COMMUNITY FIRE FUNDING

Madam Secretary, I want you to know that I share the chairman's concerns about the rural and community fire funding. I too would like to see that report. I think we have got big problems, not having to do with your Department, but certainly the other Department with respect to seeing that those hazardous fuels monies could really go where the need is, particularly in the urban interface areas, which are more expensive to treat. That is really not your problem, but it is my problem.

#### LESLIE SALT PONDS

I wanted to talk with you about something you said, and that is the subject of private/public partnerships. In my State, I think one of the best private/public partnerships was something that I had something to do with, and that was the private/public partnership that we hope will result in the largest wetlands restoration in our State. That is the conversion of the Leslie Salt Ponds in San Francisco Bay back into wetlands. The bay has lost 90 percent of its wetlands

We put together a private/public partnership of \$100 million to buy those salt ponds from Cargill. My understanding is that the conversion is going rather well. As a matter of fact, as I fly home and we fly on the landing pattern over the salt ponds, I see them bit by bit changing back into wetlands and bay waters. It is indeed very exciting. We have had great cooperation from the Hewlett, the Packard, the Gordon Moore Foundation, the Richard Goldman Foundation, the State in putting up the money, and the Federal Government put in \$8 million of that \$100 million.

#### DON EDWARDS NATIONAL WILDLIFE REFUGE

A problem has arisen with the Don Edwards National Wildlife Refuge with the addition of 9,600 acres to that refuge. It is my un-



derstanding that Fish and Wildlife has said that that would cost another \$540,000 in O&M. It is also my understanding that the President's budget proposes to remove \$532,000 fiscal year 2005 appropriations for conservation work on the refuge. I think these are important dollars.

So my question is, how will the Fish and Wildlife Service make up this \$532,000 cut?

Secretary NORTON. I am enthused about the Don Edwards Wildlife Refuge, having once been a resident of the San Francisco Bay area.

Senator FEINSTEIN. You have been out there and you have seen what we are doing.

Secretary NORTON. Yes. That is a spectacular piece of property.

We view that as a prime place for the Partners in Fish and Wildlife program and for some of our other conservation programs. We are requesting a \$12 million increase for the general program activities in the partners program and believe that the Don Edwards Wildlife Refuge restoration would be a great example of the kinds of things that we could do with that program.

We also have funding that we are working through with the U.S. Geological Survey for some research at the wildlife refuge. So what we would propose to do is work with our existing, funded programs to address the work in that area.

Senator FEINSTEIN. So far you are batting 1,000. Let us see if it continues.

#### USGS ASSISTANCE TO REFUGES

I also understand that two important sources of 2005 funding for USGS assistance to refuges totals about \$900,000, and that will no longer be available in fiscal year 2006. Now, it is my understanding that these monies are used really to do critical studies on mercury and other pollutants in refuge areas. To be specific, this is \$195,000 in USGS science support funds and \$750,000 from the California Coastal Conservancy. Now, that is not your problem, but I understand those monies are no longer going to be available.

So my question is, what will happen with some of those critical studies that need to be done?

Ms. SCARLETT. Senator, with the USGS we have what is called a Priority Ecosystems program from which monies went to this work. Also the State of California funded the research that you are identifying. That program is funded in 2006 at the same level as 2005, and we would anticipate that the science projects at Don Edwards would, likewise, in 2006 be eligible for funding.

The other portion of funds came from what is called a USGS Quick Response program. That is funded at \$350,000 in 2006. The distinction there, we would need to look at whether the Don Edwards Refuge would be eligible for the criteria set under that Quick Response program.

Senator FEINSTEIN. May I ask, Madam Secretary, then that you work with us so that we know?

Secretary NORTON. We would be happy to do that. I would also point out that we have significantly increased the operations funding for the Fish and Wildlife Service over the last several years and

view that also as being available to help with that Don Edwards Refuge.

Senator FEINSTEIN. Thanks very much.

#### LWCF FUNDS REPROGRAMMING

Now a question on the reprogramming of Land and Water Conservation funds. It is my understanding that last year's omnibus included a provision that rescinded \$10 million in unobligated BLM Land and Water Conservation funds. I am concerned that an Interior plan to allocate to California a disproportionate share of the rescinded funds, and by that I mean that \$7 million out of the \$10 million would be taken out of California projects. That could make acquisitions very difficult, and specifically the Cathton property near Palm Springs, which Representative Bono and I wrote to you about. I do not know if you saw the letter but we wrote very recently.

So my question is, how does the Department plan to ensure that these cuts are made fairly and the burden is shared equally across other States?

Secretary NORTON. I would like to ask Lynn Scarlett to address that in some detail.

Senator FEINSTEIN. Thank you.

Ms. SCARLETT. Yes. Thank you, Senator.

At issue was \$16.8 million in specific projects earmarked by the Congress but for which \$6.8 million were provided. My understanding is that the Bureau of Land Management looked at its unobligated acquisitions across the Nation and looked at its existing priorities and determined which of the \$10 million in unobligated balances it would then utilize for those programs authorized in the 2005 budget.

I believe that reprogramming actually has already been undertaken. I think it has already been approved, if I am not mistaken.

Mr. TREZISE. Notification has been submitted to the subcommittees, yes.

Ms. SCARLETT. With the particular property that you have mentioned and the distribution of those unobligated balances for the State of California. If, as Congress reviews our reprogramming request, we need to go back and look at that, we certainly would do so.

Senator FEINSTEIN. I appreciate that. And you remember where you are from.

Senator BURNS. I will remind her.

Senator FEINSTEIN. Good.

#### DESERT PROTECTION ACT

I am glad the chairman is here because I want to talk to you just for a minute about the Desert Protection Act. That is a bill that I wrote. We were intimately familiar with it. It is a big park and wilderness bill. When the bill was written, we were aware that there were certain grazing operations on national park land. I went down and I looked at them.

This was really kind of the old West still existing in the desert. I remember visiting the Blair family. They live 50 miles from the nearest school, 75 miles from the nearest store. Kathy Blair took

her children to school both ways. That is 100 miles a day driving. They had their own generator way out in the middle of the desert. They had about 500 head of cattle. His father, his grandfather had worked that.

I wrote the bill specifically with the intent that the existing grazing would continue at the existing level. What I have noticed now are efforts to do away with the water, make it more difficult. There were only five ranchers left. Rob Blair wants to move out. It is just too hard now. Senator Burns helped me with some language on, one, to make it even clearer as to what the intent was.

I believe that the Park Service should make every effort to allow the existing ranchers who wish to do so to continue to ranch within the confines of the bill's language.

Now, this language can come into conflict with the Endangered Species Act involving the desert tortoise. I recognize that.

But I guess what I want to ask you, offering a grazing permit, but withholding water facilities is an empty gesture. Will you commit to allowing the return of the previous water facilities under this temporary grazing permit?

Secretary NORTON. Senator Feinstein, I appreciate you bringing this to my attention. I have a prepared response from my staff, but I am concerned, as you are, about some of the questions that are raised. I want to find out some more about this and how much of this is necessitated by endangered species requirements and how much might be just not having an appreciation for the grazing heritage of the area. I do understand that there is one particular permit that has—not the individual you mentioned—that has some specific problems. But I would like to take a look a little more closely myself at the issues that you have raised.

Senator FEINSTEIN. Yes. So you know the legislative history, this was a tough bill to do. It was filibustered on the floor. The desert is not like Yellowstone. It is not like Yosemite. It is totally different. I mean, we have got millions of acres in this bill, at least 7–8 million acres. It has got everything there. The thrust of the bill was that no private property owner be displaced, no eminent domain. Everything would be willing seller/willing buyer. And existing grazing could continue sort of in the tradition of the old West.

I know what happens. I understand it. I know the environmental thrust is, well, get these grazers, make it more difficult so they will move out, and there will be just wilderness with nothing else. But that has not been its history. I think there is a richness in its history. So the bill was written to protect that historic richness, and that is really what I want to share directly and publicly with you.

Secretary NORTON. Thank you very much. I will look into it some more.

Senator FEINSTEIN. Thank you, and would you let me know?

Secretary NORTON. All right.

Senator FEINSTEIN. Great. Thank you.

CALFED. One part of the CALFED water program—

Senator BURNS. Will the Senator yield just for a comment?

Senator FEINSTEIN. Certainly.

Senator BURNS. I can remember that issue. I would advise the Secretary that there are some things that go on out there that you are unaware of. Using the endangered species, I think it is a weak

answer. I think those people just come up with reasons to make it tough. I will tell you, if you find somebody that is doing that and they cannot substantiate it, fire them because some of these people in the Park Service are just absolutely dedicated to a different idea of what makes this country work than Senator Feinstein and I. So do not look at nothing. Just do what the legislation says. I mean it. I get upset when these people come up and give some damned bureaucratic answer that does not mean a thing. Maybe I get really upset about that.

I know what she was trying to do and we tried to do it just exactly the way it should have been done in the first place. Now we find other reasons. That is weak. Enough said.

Senator FEINSTEIN. Thank you, Senator. I appreciate your support very, very much.

#### CALFED

Let me speak about CALFED. The one program that is within the jurisdiction of this subcommittee is the Fish and Wildlife Service's programs. In restoring habitat for endangered salmon, I understand there are proposals to concentrate funding on projects that provide the greatest increases in fish populations per dollar expended.

What I would like to ask is that you provide me with a list of the most potentially promising ecosystem restoration projects in California and how these projects will advance us toward the fish doubling goals of the CVPIA. I think those are good goals. When we put together the CALFED bill, again, we were very serious in the ecosystems restoration and fish restoration. So it would be helpful if I were to technically know which are the most promising restoration areas for fish.

Secretary NORTON. That seems like an excellent question, and we will try to answer that as well as we can.

[The information follows:]

#### CALIFORNIA ECOSYSTEM RESTORATION PROJECTS RELATING TO CENTRAL VALLEY ANADROMOUS FISH DOUBLING

Much of the restoration to date, conducted by the Fish and Wildlife Service under the authority of the Central Valley Improvement Act (CVPIA) and CALFED Bay-Delta program, has been focused on physical restoration to improve habitat conditions within the system. While these efforts have made significant progress towards the doubling goal, the Service believes increasing instream flow for fish passage, spawning and rearing is critical if the doubling objective is to be achieved. Habitat restoration remains a critical component, and coupled with instream flow for fish passage, can advance the goal of anadromous fish restoration. Three programs within the Service are focused on water acquisition for instream flow; the CVPIA 3406 b(3) Water Acquisition Program (WAP), the CALFED Environmental Water Program (EWP), and the CALFED Environmental Water Program. The CVPIA b(1) Anadromous Fish Restoration Program (AFRP) serves as the primary habitat restoration program. All of these programs undergo extensive, stakeholder processes that identify priority projects and streams targeted for funding.

#### CURRENT FISCAL YEAR 2005 PROJECTS

The Service receives money annually through the Bureau of Reclamation to implement the Central Valley Project Improvement Act. The Bureau of Reclamation assesses a mitigation fee on water and power beneficiaries of the Central Valley Project. Fee collections comprise the Restoration Fund from which the Bureau of Reclamation allocates funds to the Service for restoration purposes. The programs

and funding amounts described below will assist in advancing the anadromous fish doubling goal during fiscal year 2005:

\$5,181,000 was provided to the Service for the Anadromous Fish Restoration Program. Section 3406(b)(1) of the CVPIA directs the Secretary of the Interior to develop and implement a program that makes all reasonable efforts to at least double natural production of anadromous fish in California's Central Valley streams on a long-term, sustainable basis. The major resulting program is known as the Anadromous Fish Restoration Program. Since 1995, the AFRP has helped implement over 195 projects to restore natural production of anadromous fish.

\$617,000 was provided to the Service for the Clear Creek Restoration Program. The Clear Creek Fish Restoration Program was established to implement restoration within the Clear Creek watershed as provided for under section 3406(b)(12) of the Central Valley project Improvement Act. The Service and Reclamation have worked closely with California Departments of Fish and Game and Water Resources, the National Park Service, Bureau of Land Management, county and local agencies and organizations, stakeholder groups, and the general public to provide planning and implementation of restoration actions in the Clear Creek watershed. The Clear Creek Coordinated Resource Management Planning group and the Clear Creek Technical Team work directly with local entities to achieve Clear Creek Fish Restoration Program objectives.

\$581,684 was provided to the Service for the Anadromous Fish Screen Program. The primary objective of the Anadromous Fish Screen Program is to protect juvenile Chinook salmon, steelhead trout, green and white sturgeon, striped bass and American shad from entrainment at priority diversions throughout the Central Valley. Section 3406(b)(21) of the Central Valley Project Improvement Act requires the Secretary of the Interior to assist the State of California to develop and implement measures to avoid losses of juvenile anadromous fish resulting from unscreened or inadequately screened diversions on the Sacramento and San Joaquin Rivers, their tributaries, the Delta and the Suisun Marsh.

#### LONG TERM PROJECTS

The following projects are also high priorities, however they are projected to take a decade to complete.

#### WATER ACQUISITION FOR INSTREAM FLOW TOP PRIORITIES

*Clear Creek.*—Generate medium high flows to recreate basic geomorphic processes and improve habitat quality and quantity for spring-run Chinook salmon and steelhead. The ten year program includes monitoring.

*Deer Creek.*—Combine water use efficiency and ground water exchange to provide 50 cfs at critical times to allow unimpaired passage of spring-run and steelhead. The ten year agreement includes monitoring.

#### HABITAT RESTORATION TOP PRIORITIES

Habitat restoration projects are implemented through a competitive, public request for proposals that includes extensive program, scientific, and budget review. Public notification is required before projects are funded, and environmental compliance (consistent with the Natural Community Conservation Planning Act, National Environmental Policy Act; State and Federal endangered species acts, etc.) is also necessary. A single entity cannot double natural production of anadromous fish throughout the Central Valley, partnerships are needed. Voluntary collaboration to achieve mutual goals and objectives will accelerate accomplishments, increase available resources, reduce duplication of efforts, encourage innovative solutions, improve communication, and increase public involvement and support through shared authority and ownership of restoration actions.

The habitat projects below have a high potential for contributing to the CVPIA anadromous fish doubling goal.

*Clear Creek.*—Stream channel and flood plain restoration projects to restore ecosystem function and increase spawning and rearing habitat and thereby increase fish production.

*Sacramento River.*—Improve passage at Red Bluff Diversion Dam for salmon, steelhead, and sturgeon.

Senator FEINSTEIN. Thank you very much.

## HEADWATERS FOREST RESERVE RESOURCE MANAGEMENT PLAN

If I may, just a couple more. The BLM's California office believes that about \$1 million annually for the next 5 years is needed to implement the headwaters forest reserve resource management plan.

What I would like to ask is, if you have a position with respect to full implementation of the headwaters plan, would you tell us? And how much is in the 2006 budget on this issue?

Secretary NORTON. It is my understanding that we are on track with the implementation of that program. We have \$1.2 million that is allocated for implementation for 2005 and 2006. We do view that as an important goal.

Senator FEINSTEIN. Thank you very much.

## HAZARDOUS FUELS REDUCTION PROGRAM

Let me just ask a question along the lines of the dialogue that you and Senator Burns had. The BLM hazardous fuels reduction program is also important for California. Particularly, we rely on the \$2 million of annual grants for local fire safe councils to implement community protection measures. I attended a Tahoe summit, which I hope one day you will be able to attend, where all of the jurisdictions around Lake Tahoe got together to do their fire plans. The point I guess is that these grants I think are important. The planning is going on all throughout the State.

Do you plan to continue these grants?

Secretary NORTON. Our overall program that this is funded from is the hazardous fuels program, and that has an increase of \$9.8 million for this year.

The California Fire Safe Council is a very good program and we support the work that they are doing. The allocation of financial support to particular States and local programs is something that is done as we weigh the needs and the merits of each of those programs later on in the year. But we do support the overall work of the program. I cannot give it a specific dollar amount, but it is the kind of collaborative effort that we think makes a lot of sense.

Senator FEINSTEIN. Terrific. Thank you very much.

## LAKE BERRYESSA

Now, I guess a few days ago, we were visited by supervisors from Napa County who are having problems with the recreational facilities at Lake Berryessa, which is currently managed by the Bureau of Reclamation. I guess what I would like to ask is if you will work closely with our office and the county supervisors in looking at the options, as you undertake the EIS process for a new visitor services plan. Particularly Supervisor Dillon of Napa County was back here, and there have been two extensions of public comment. My understanding is the plan has been recently released for more public comment.

The county provides the police and public services at Berryessa, which amounts to about \$800,000 a year, and currently there are about 1,300 privately owned trailers on the west shore of the lake, and there is limited public access. So the trailer owners want the no-action alternative. That is kind of where we are. I do not know what the bureau's position is on this, but we have got a conflict.

Secretary NORTON. We understand this is a situation with a long history. We are very committed to going through the NEPA process and would be happy to work with you as we continue on that process. Reclamation expects to have their final environmental impact statement and record of decision in the summer or fall of this year. You are correct that we have asked for additional public comment.

Senator FEINSTEIN. Terrific. Now, just one last one and then I am finished.

#### PARK OPERATIONS

The \$55.5 million increase in the President's request for park operations is almost entirely, we understand, for fixed costs, including pay and benefit costs to cover current Park Service employees. I think it is great that these costs are finally being budgeted for, but I understand there are no programmatic increases for operations. How are you going to manage?

Secretary NORTON. The way in which our park funds are usually allocated is to each park individually. Within that they allocate it to the kinds of programs that they think are most significant for that individual park. We have increased funding. There was a significant increase in funding for 2005, and we continue with increases for 2006.

We are also trying to look at ways in which we can operate more effectively system-wide. Some of our regional directors have been looking at what I think are good ideas, trying to look at efficiencies, including those between parks. For example, if we have two neighboring parks that each want to have a new archaeologist on staff, they look to see whether we might be able to share an archaeologist between the two parks. I think there are some things like that that may be helpful as well.

We want to be sure that we are continuing to tackle the maintenance backlog and our request provides the funding for that, as well as for enhancing our visitor services.

#### MARIJUANA PROPAGATION IN NATIONAL PARKS

Senator FEINSTEIN. Finally, I just want to give you a challenge. There is a lot of marijuana being grown in national parks, and particularly the King's Canyon Sequoia National Park. I would like to bring that to your attention, if I might.

Secretary NORTON. I have heard about some of those situations. We do have some additional staffing to try and deal with that. Last year at Sequoia King's Canyon there were 15 arrests of individuals who were cultivating marijuana gardens within the park's boundaries. It is obviously a situation where we need to work very closely with the DEA and with other law enforcement agencies, as well as use our increased staffing for this.

Senator FEINSTEIN. Thanks for being on top of it. I appreciate it. I very much appreciate your cooperation and your responses. Thank you so much.

Secretary NORTON. Thank you, Senator.

Senator FEINSTEIN. Thanks, Mr. Chairman.

Senator BURNS. Thank you, Senator Feinstein.

I am going to send a whole bunch of questions down there for you. We will work our way through this thing one way or the other.

Working with you is a delight anyway, and I appreciate your patience today and your appearance here.

I do have an announcement just for the record. The Department of Energy hearing is canceled for next week, but our next hearing will be with the EPA folks, Senator Feinstein. That will be on April 14.

Senator FEINSTEIN. Thank you.

Senator BURNS. We will get those schedules out to the rest of the members of this panel.

#### ADDITIONAL SUBCOMMITTEE QUESTIONS

Again, the record will be left open, and if you would respond to those questions for the record, I would certainly appreciate that.

Secretary NORTON. Thank you, Mr. Chairman.

Senator BURNS. Thank you and thank you to your good staff. You have wonderful staff. They have been very cooperative in working our way through this. I certainly appreciate that too. Thank you.

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

#### QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

##### STATE ASSISTANCE ("STATESIDE") PROGRAM

*Question.* Your budget request proposes to zero out the Stateside program, which provides grants to states for recreation development and land acquisition. The rationale seems to be that the program does not have adequate performance measures, and might be viewed as more of a state or local responsibility.

Can you elaborate on the reasons for your proposing not to fund the program?

*Answer.* As the Administration strives to reduce the Federal deficit, focusing on high-priority direct Federal responsibilities is imperative. The reduction in State Conservation grants will allow NPS to focus on park activities while helping to reduce the deficit.

*Question.* Does your request represent a temporary reduction from the Administration's point of view, or are you proposing to terminate the program?

*Answer.* Budgets are prepared on an annual basis. Funding availability changes, priorities are reevaluated, and other factors differ from year to year. The Administration proposes that the State Conservation grants program receive no new grant money in fiscal year 2006. Funding in fiscal year 2007 and beyond will be determined as part of the regular budget formulation and review processes that precede those budgets.

*Question.* In tight budget times I'm the first to admit that we need to focus on the primary responsibilities of the Federal government. I note, however, that other state grant programs escaped the budget knife. The State and Tribal Wildlife Grant program, for example, is increased from \$69 million to \$74 million. One could certainly argue that management of fish and game not listed under the ESA is a state responsibility.

Can you explain the disparate treatment of these two programs?

*Answer.* The U.S. Fish and Wildlife Service's State and Tribal Wildlife Grant program directly supports the Service's mission of working with others to conserve, protect and enhance fish, wildlife, and plants and their habitats; and is an important component of the Department's cooperative conservation initiative. The long-term goal of the State and Tribal Wildlife grant program is to stabilize, restore, enhance, and protect species and their habitat that are of concern—this includes listed, at risk, and other species. A significant number of species currently protected under the Endangered Species Act (ESA) reside, for all or a portion of their lives, on private lands. Additionally, many more species living on private lands are either at risk or potentially at risk of being listed under the ESA. Through the State and Tribal Wildlife grant program, the species and their habitats that are in the most need of conservation benefit. These efforts help the nation avoid the costly and time consuming process that occurs when a species' population plummets and needs additional management protection through the Endangered Species Act and other regu-



latory protections. Since many issues related to wildlife conservation are not contained by jurisdictional or administrative borders, the program also helps to ensure that the Fish and Wildlife Service and the States coordinate efforts to conserve threatened and endangered species, manage migrating birds, and prevent other species from becoming listed on the Endangered Species list.

All States are nearing completion of their Comprehensive Wildlife Conservation Plans. These plans will have prioritized lists of conservation actions that will help States stabilize or increase their wildlife populations in a strategic, cost-efficient manner that is based on sound science. In order to ensure that species are benefiting from the conservation actions, all States will have in place strong monitoring programs. Because of this focus on local input, prioritization of actions, and monitoring, the Department is confident that the funds requested for this program will generate significant on-the-ground results.

In contrast, the National Park Service's LWCF State grants program funds improvements to State and local parks that are more appropriately funded through State funding. Furthermore, a PART review in 2003 found that this program could not measure performance or demonstrate results.

#### PRESERVE AMERICA

*Question.* Your budget once again includes funds (\$12.5 million) for a new "Preserve America" program to provide grants to communities to develop heritage tourism.

As you know, there is already intense competition for funds in the arena of historic preservation and heritage programs. States and tribes—charged by Congress with administration of the Historic Preservation Act—are seeking additional funds to maintain current operations and allow for new tribal programs. Congress last year authorized three new heritage areas, and has many more proposals pending. The Save America's Treasures program is highly competitive. And we now have targeted, authorized programs for Historically Black Colleges and California Missions, with other legislation pending.

Why do we need to create another new program in this arena?

*Answer.* Preserve America embodies the Administration's commitment to heritage tourism and historic preservation as economic engines capable of driving local and regional economies. The Administration's fiscal year 2006 budget request of \$12.5 million for Preserve America grants, which is only one component of the Preserve America initiative, would offer a new type of Federal preservation funding that would support local, state, and tribal heritage tourism initiatives, promotion and marketing programs, and development of directly related interpretive and educational programs.

Federal preservation funding needs to evolve to reflect the increasingly important role that historic preservation and heritage tourism will play in community economic revitalization in the 21st century. Since the 1980s, increasing numbers of communities have begun rehabilitating their historic downtowns, encouraging reinvestment in their communities. Communities are also using preservation to encourage heritage tourists to visit (and spend their money). These trends are creating new jobs and new revenue while preserving the historic properties that help give communities their unique sense of place and history.

Despite the growing importance of preservation and heritage tourism to community revitalization throughout the country, no nationwide Federal assistance is focused specifically on this issue. Other programs are much broader in scope—such as the historic preservation grants-in-aid to States and Tribes—or much narrower—such as programs for Historically Black Colleges and Universities. The Save America's Treasures program funds critical "bricks and mortar" projects, but not creation of management strategies and partnerships for linking preservation with heritage tourism. Funding for National Heritage Areas does address such issues, but is restricted to a limited number of discrete geographic areas. Preserve America Grants will fill a void by directly assisting communities nationwide in using and promoting their historic assets in ways that will spur economic development. In addition, Preserve America grants would place special emphasis on significant and creative private-public partnerships that could serve as models to communities.

*Question.* What is the Federal role that isn't currently being fulfilled?

*Answer.* Tourism is a key ingredient in the national economy, and a significant component of many local economies. It is the third largest retail sales industry, amounting to about \$528.5 billion in 2002. Tourism is also one the Nation's largest employers, with 7.2 million direct employees and nearly 10 million indirect employees. Heritage tourism, including visiting historic sites and museums, ranked third among tourism activities and destinations, following shopping and outdoor activities.

Nationally, in 2005, annual revenues from cultural and heritage tourism are expected to reach \$200 billion.

While we readily recognize that historic preservation contributes to heritage tourism, which in turn contributes to the economy, it is also important to recognize that the effects are circular: heritage tourism is a very important contributor to the preservation of the nation's historic resources. In many cases, the anticipated revenues from heritage tourism become the economic engine that drives the initial investment in preservation and rehabilitation of those historic resources that will become tourism destinations. By focusing on this circular effect, Preserve America grants will strategically carry out the National Historic Preservation Act mandate that the Federal Government will "use measures, including financial and technical assistance, to foster conditions under which our modern society and our prehistoric and historic resources can exist in productive harmony and fulfill the social, economic, and other requirements of present and future generations."

The Administration's Preserve America grants will assist local, State, and tribal jurisdictions to capitalize on this new economic reality. The Federal Government can play a critical role by providing seed money to support planning, development, implementation, or enhancement of innovative activities and programs in heritage tourism, adaptive reuse, and "living history" programs that can be replicated across the country. The Administration's proposed Preserve America grants would provide needed program incentives and the investment opportunities to produce such local models.

At a time when State and local governments, including counties and municipalities, are bearing much of the State fiscal difficulties, local tourism in general and heritage tourism in particular can help local governments develop their own revenue streams through sales and bed tax revenues and other indirect income derived from the tourist service economy. This economic value also translates into more, improved historic preservation activity and appreciation for the Nation's history as well as its heritage resources. The grants would also help other levels of government with important program start-up funds and the related tools they need to improve their efforts.

*Question.* Why are Preserve America grants proposed to be distributed through a new national grant-making structure, as opposed to being administered by the state historic preservation offices?

*Answer.* It is appropriate to target Federal investment in this new program through a nationally-competitive approach, rather than through the State allocation formula. While the formula for allocating annual operating funds to State Historic Preservation Officers is an appropriate and effective method of assistance for those State functions set out in the National Historic Preservation Act, the Federal Government has often recognized that specifically targeted preservation efforts—such as grants to Historically Black Colleges and Universities, or the Save America's Treasures grants—are more effectively focused through a centralized program. Preserve America grants fall under the category of specifically targeted efforts that will benefit from a focused national competition.

Both State Historic Preservation Offices and Tribal Historic Preservation Offices are proposed among eligible applicants for Preserve America grants, in addition to designated Preserve America Communities and Certified Local Governments seeking Preserve America Community designation.

#### FINANCIAL AND BUSINESS MANAGEMENT SYSTEM (FBMS)

*Question.* The Department is in the midst of a major acquisition for its Financial and Business Management System. While we haven't given you 100 percent of what you've requested for this project, our investment to date is very substantial.

My fundamental question is what steps are you taking to ensure that this major system acquisition doesn't wind up like so many others in government, which is to say in the trash can?

*Answer.* The Department has used a planning and implementation process that is guided by investment control processes, put in place a governance process and management structure to ensure adequate oversight, monitoring, risk management, and test and user acceptance.

First, the Department undertook an extensive planning process that modeled the current business processes (as is) and sought bids for design and deployment of an off-the-shelf system that would provide the Department with a system that meets its needs. Selection of a contractor followed an exhaustive and thorough evaluation of alternatives and full review and acceptance of a business case.

The Department's project lead managers evaluated the projects completed by the contractor and made site visits to the Commonwealth of Pennsylvania. The man-

agers evaluated the deployment of software by other Federal agencies to gain knowledge about best practices and gain understanding of potential risks.

Once a contractor was selected, the Department put in place a governance structure for project decisions based on evaluation of risk. A full-time project management office was put in place to maintain continued project management. Deployment to bureaus of modules would be subsequent to testing and user acceptance. The Department contracted with an independent verification and validation IV&V contractor to provide oversight for the project, put in place a change management process, and created operational environments in which to develop, test, and operate the system.

The project has a strong governance structure including an Executive Steering Committee of senior bureau business leaders and the Department's Chief Information Officer. They oversee the project and take management actions necessary to ensure that the investment benefits will be realized.

#### ICON SECURITY—U.S. PARK POLICE

*Question.* Madam Secretary, for several years now we have been working with the U.S. Park Police to ensure that the funds we provide them are properly managed, and that the organization itself has a clear mission. This is more important than ever given the role the Park Police plays in protecting some of our icon parks.

Can you give us a status report on these efforts? What changes have been made and what changes are underway?

*Answer.* In August 2003 the Department directed a comprehensive internal effort to complete the task of clearly defining the mission, priorities, and responsibilities of the Park Police. Shortly after this internal review began, the House Appropriations Subcommittee on Interior and Related Agencies requested NAPA to follow up on its 2001 recommendations and again assess USPP's mission and functions, the priorities and resources assigned to them, and the feasibility of adjusting current functions. Because this essentially became a parallel effort, the Department closely coordinated with NAPA, realizing that it was critical to incorporate NAPA guidance in our final efforts. NAPA's new methodology for assessing USPP operations and establishing priorities for USPP functions was of immense help in providing answers to significant budget and management concerns.

Working closely with the NPS Deputy Director, the Acting USPP Chief, and NAPA, the Department has completed a thorough mission review. Implementation of the principle recommendations concerning mission clarification, responsibilities, and priorities are well underway. Many of the other NAPA recommendations are also completed, while some have made significant progress, but remain ongoing. The Department is continuing to follow up on all NAPA recommendations that are not yet completed. The internal review, Report to the Secretary, U.S. Park Police Mission Review, dated December 17, 2004, was provided to the Subcommittee and includes a detailed report on each NAPA recommendation.

*Question.* Have we made it to the point where we're less likely to be surprised by mid-year reprogramming requests, or by actual force levels that don't match budget forecasts?

*Answer.* We have reached the point where the Park Police can manage its Force and its finances at a high level of expertise. This confidence is realized by the work of the Park Police during the Department's mission review and the selection of Dwight Pettiford as the permanent Chief of the U.S. Park Police. Chief Pettiford, who was the acting Chief for about a year, was instrumental in helping to bring the Park Police mission review and operational priorities of the Park Police to closure. We also hired an experienced Chief Financial Officer for USPP in October 2004 who will assist the Chief to better manage the budget. The Department will also continue a high level of commitment into the future, helping the Park Police to finalize the remaining NAPA recommendations; reviewing and implementing the draft USPP Strategic Plan, which is under review by the NPS; reviewing the USPP draft staffing model upon its completion; and providing specific guidance for the 2007 budget formulation cycle.

#### RECREATION FEE PROGRAM

*Question.* Last year in the omnibus appropriations bill Congress extended the recreation fee program on a long-term basis. I fought this move along with other members of this subcommittee because I believed the authorizing committees of jurisdiction were the appropriate bodies to deal with this legislation. But we did not prevail.

You are aware, Madam Secretary, that there is still some disagreement out in the land about whether fees are appropriate, on what activities they should be collected, and how the collections should be spent.

Are there things in last year's authorization bill that will help address some of these concerns? How will the new program be different than the fee program as it has existed for the past several years?

Answer. The new Act provides for a nationally consistent interagency program with clear criteria for determining appropriate sites eligible for applying recreation fees, additional on-the-ground improvements to visitor services at recreation sites across the nation, a new national pass for use across interagency Federal recreation sites and services, and more public involvement in the program. Unlike the Fee Demo Program, which provided broad authority to charge fees, the Act specifically limits fees to sites that have a certain level of development and meet specific criteria. The Act includes additional safeguards against unwarranted expansion of the program by creating Recreation Resource Advisory Committees in every state or region and providing other public participation opportunities.

Implementation of a well-run and streamlined recreation fee program that maximizes benefits to the visiting public is a top priority for the Departments. On December 17, nine days after FLREA was signed into law, the interagency Recreation Fee Leadership Council (Fee Council) convened and approved an Implementation Plan. The Fee Council, whose members include officials of both Departments, was created in 2002 to facilitate coordination and consistency among agencies on recreation fee policies. Our Implementation Plan includes the creation of a Steering Committee to oversee day-to-day implementation, as well as several technical working groups for each of the key areas. The Fee Council created the following technical working groups:

- National Pass Working Group
- Fee Collection/Fee Expenditure Working Group
- Public Participation/Recreation Resource Advisory Committees (RAC) Working Group
- Communications Working Group

The Implementation Plan sets forth preliminary implementation timelines by identifying short-term, medium-term, and long-term tasks and designates staff with the lead responsibility to accomplish those tasks. The working groups are drafting guidance, developing detailed action plans, and discussing key issues to ensure compliance with the new law. One of the short-term tasks of the Fee Collection/Fee Expenditure Working Group is to ensure that all sites that charge recreation fees conform to the infrastructure and other requirements of the new law. Although this review continues, the following are examples of sites that have already made changes to their fees under FLREA:

- Gavin's Point National Fish Hatchery (FWS) no longer charges an entrance fee.
- Arapaho National Recreation Area (Forest Service) no longer charges an entrance fee for the entire area, but may charge a standard amenity recreation fee at localized developed sites.
- At Imperial Sand Dunes (BLM), recreation fees for two overlooks and a trailhead were eliminated.
- Quake Lake Visitor Center and Lewis and Clark Visitor Center (Forest Service) no longer charge for children under 16 years of age.

Implementation efforts that will require longer timeframes to implement include establishment of RACs and the implementation of the America the Beautiful Pass. Successful implementation requires that we provide opportunity for public input. The RAC Working Group will need to closely coordinate on the nominations process with states, counties, and the numerous recreational, tourism, and other groups interested in serving on the RACs.

A number of factors have led us to set a target date of 2007 for the America the Beautiful Pass, such as an interest in conducting "listening sessions" to provide public input on the pass, conducting marketing surveys, and developing a process for fulfillment and marketing proposals. We also are taking into consideration the long lead time needed for certain aspects of the pass, such as the image competition. We believe the America the Beautiful Pass has tremendous potential to provide visitors with a seamless visitor experience, allow interesting and creative partnerships with communities on visitor facilities and services, and educate visitors about the tremendous recreational opportunities on our Federal lands.

We look forward to working with any interested parties and Congress as we move forward to implement this very important program.

*Question.* Beyond the requirements of the law, what other steps are you taking to ensure that the Department doesn't overreach in charging fees, and that the fee money itself is spent in the most beneficial and appropriate way?

Answer. The Departments view the passage of FLREA as the beginning of an important opportunity to create a sensible, visitor friendly, efficient recreation fee program. FLREA creates a dynamic program that we intend to implement in a way which will respond to lessons learned and build on success stories.

We want to ensure that fees only are charged where enhanced visitor facilities or services are provided and that a majority of the fees are reinvested into visitor facilities and services at the site. Toward this end, we not only are implementing the explicit safeguards against unwarranted expansion found in FLREA, but also are developing guidance and processes that take into account specific agency and site differences. The agencies are working together to draft specific guidance, develop detailed action plans, including timelines, and discuss key issues.

One of the short-term tasks of the Fee Collection/Fee Expenditure Working Group is to develop guidance on where fees may be charged and spent to enhance the visitor experience. Such guidance should work in concert with existing systems in the agencies that identify priorities and needs. For example, NPS has put in place a facility management system that "grades" facilities and other assets based on a facility condition index (FCI). Similarly, BLM is implementing the Facility Asset Management System (FAMS) to plan and track facility-specific maintenance needs and costs, to prioritize and monitor maintenance activities, and to prevent a recurrence of maintenance backlogs.

We also understand that the public participation provisions in FLREA are a key component to creating a visitor-friendly recreation fee program. The Public Participation/RAC working group is developing detailed guidance to ensure the public is provided with opportunities to participate. In developing the RACs, we will closely coordinate on the nominations process with states, counties, and the numerous recreational, tourism, and other groups interested in serving on the RACs.

We have begun providing opportunities to participate during the implementation phase of FLREA. In addition to responding to a number of specific inquiries on implementation, the National Pass Working group has hosted two "listening sessions" to provide the public and members of the recreation community with an opportunity to share ideas about the implementation of the America the Beautiful Pass. We anticipate keeping the public informed and seeking input on the implementation process through additional stakeholder meetings, Congressional briefings, and web postings.

#### RELOCATION COSTS

*Question.* I note from the budget justifications that you are more tightly managing various "contingency accounts". The National Park Service notes that relocation costs accounted for 25 percent of its contingency account expenditures in fiscal year 2004, for a total of close to \$5 million. This is a significant amount.

Has the Service or the Department recently reviewed its policies and procedures with an eye toward reducing relocation costs?

Answer. Each year the National Park Service's Accounting Operations Center prepares an Agency Relocation Cost and Management Data analysis that is submitted through the Department to the Office of Management and Budget (OMB).

The Department has undertaken a review of current relocation policies and practices with an eye to improving effectiveness and efficiency. Thus far we have examined the current practices, policies and costs, and are considering policy changes to the relocation service contract: the time allowed employees to conduct house hunting, the duration of temporary quarters, and the duration allowed for household goods storage.

*Question.* If not, why not? If so, what changes have been made and what results have those changes had?

Answer. The National Park Service complies with the relocation policies in Chapter 302 of GSA's Federal Travel Regulations. The costs of relocation have been rising in recent years, especially with respect to the "homesale program" and "temporary quarters". Home values in major metropolitan areas have appreciated by as much as 300 to 400 percent in the last few years, increasing NPS costs for the homesale program. Large portions of the relocation program are fixed as a percentage of the value of the house.

NPS managers pay the relocation costs of employees when they successfully compete for a park position in another location. In many cases, parks are limited in being able to fill positions in cases when the best (or only) candidate is too expensive to relocate.

The NPS, in conjunction with GSA policy, offers an incentive to employees to sell their own home, thus decreasing the expense to the agency. Employees who sell their own home receive an incentive that is the lesser of 5 percent of the value of

their home or the difference between the appraised and amended value of the home. This typically results in expenses to NPS that are between 4 and 9 percent less than if a contractor sells the home. With regard to covering temporary quarters and subsistence expenses, the NPS encourages employees to make advance house-hunting trips, enabling the NPS to limit the length of time employees reside in temporary quarters to 30 days. The Department plans to pursue its examination of options to reduce costs through the changes to relocation policies and practices.

#### SAFECOM AND DISASTER MANAGEMENT

*Question.* Last year this subcommittee prohibited the Department from transferring funds to implement the government-wide SAFECOM and Disaster Management programs, though we did not prohibit you from participating in these initiatives.

What has been your involvement to date in these initiatives? Has your inability to contribute funding hampered your participation from a Departmental point of view?

*Answer.* The Department has significant involvement in SAFECOM. This includes participation in the subcommittees, drafting and recommending standards and participation in the advisory committee. Several headquarters and field staff have also attended SAFECOM sponsored event such as the Federal Partnership for Interoperable Communications. The inability to provide funding to SAFECOM has not hampered Departmental participation in SAFECOM.

For Disaster Management, the Department has initiated actions to provide emergency alert and notification messages in the Common Alerting Protocol (CAP) format, an open, non-proprietary standard data interchange format adopted by Disaster Management. Information to the public will be made available via the internet, and messages intended for other governmental users will be provided via the Disaster Management Interoperability Services (DMIS) system. The United States Geological Survey will implement CAP messaging during 2005 for earthquake notifications and for landslide and volcano advisories. Working with the Bureau of Land Management and the wildland fire community, CAP messages will be generated for a limited geographic area during 2005, with the intent of expanding coverage in 2006 as business rules for such warnings are addressed. Coordination will also begin with the Forest Service. The inability to provide funding to Disaster Management has not hampered Departmental participation in Disaster Management.

*Question.* Please provide for the record a summary of all SAFECOM and Disaster Management funding requested in the fiscal year 2006 budget for the Department, as well as a summary of total expenditures government-wide, by agency.

*Answer.* The Department's 2006 request includes a total of \$1.55 million for SAFECOM and \$680,000 for Disaster Management. Government-wide 2006 spending as reported in OMB's report for Information Technology spending for SAFECOM totals \$22.8 million and for Disaster Management totals \$12.3 million.

#### FLEET EXPENDITURES

*Question.* The Department spends some \$160 million to maintain a fleet of more than 31,000 vehicles. Last year you proposed to achieve significant savings from improved fleet management, with projected savings of \$11 million in fiscal year 2005 and \$3.7 million in fiscal year 2006.

What progress have you made toward these goals to date? Is it going better or worse than expected?

*Answer.* In 2004 the Department began a collaborative initiative to improve fleet management, developed a strategic plan, and began to implement recommendations from a review of the program conducted by the Office of Inspector General. The initiative focuses on economic-based strategies, including implementation of life-cycle replacement schedules, disposal of underutilized vehicles, disposal of vehicles that have surpassed their lifecycle, use of fleet performance measures, energy-saving practices including an expanded use of alternate-fueled vehicles, and expanded leasing. The Department-wide strategy for improved fleet management includes migrating fleet management programs to a more standardized operational model that promotes energy-saving technologies, the development of fleet composition baselines and multi-year plans, improved performance metrics that address efficiency and effectiveness, vehicle and motor pool sharing, and purchase and lease arrangements that consider seasonal workforces. The Department's improvement plan will realize cost savings of 2-5 percent of the total budget.

*Question.* What obstacles have you encountered?

*Answer.* The dispersed nature of the Department's programs and offices and the variability in the needs for vehicles make it a challenge to implement more con-

sistent and cost-effective vehicle operations. For example, many of the Department's fleet need to be able to cover rough terrain and as a result are equipped with features such as four-wheel drive. These vehicles cannot regularly consume the most efficient fuels available, nor are they the most fuel efficient themselves. However, fleet managers are optimistic that further reductions in fuel consumption can be attained with the availability of hybrid sport utility vehicles and the expanded markets of ethanol and bio-diesel. In addition, because half of the USGS fleet is at least ten years old, efforts to reach certain fuel efficiency targets by that bureau have been prevented and it will take several years to implement a life cycle replacement program. There are also challenges related to getting favorable leasing arrangements that would allow parks and other field locations to maintain vehicles on a seasonal basis in lieu of more costly annual contracts.

#### COOPERATIVE ECOSYSTEM STUDIES UNITS

*Question.* Cooperative Ecosystem Studies Units were developed as a cost-effective means of engaging university science and training capabilities regionally to achieve Federal agency goals.

What has been the Department's experience with CESUs? Have they lived up to their promise?

*Answer.* The Department's Cooperative Ecosystem Studies Unit (CESU) Network is organized into 17 regional CESUs. Five DOI bureaus are partners in the network: NPS and USGS are partners in all 17 CESUs; the Bureau of Land Management has joined 16 CESUs; and the Fish and Wildlife Service and Bureau of Reclamation have begun to participate actively, joining 6 and 5 CESUs respectively. The Department has over 2,000 research, technical assistance, and education projects completed or underway with the over 180 CESU-affiliated universities and other partners. Many projects involve several Federal agencies working together. The reduced overhead rate, common cooperative agreement, and efficient administrative procedures have made the program cost-effective. The first 8 CESUs have gone through a careful review process, involving self-assessment, Federal managers review, and an independent review. CESUs have exceeded their initial promise, with all 8 receiving very positive evaluations. There are now 13 Federal bureaus engaged as partners with the CESU network, evidence that the CESUs are considered useful and effective by a wide range of Federal bureaus both within and external to the Department of the Interior.

*Question.* Concern has been expressed to me about universities bearing a disproportionate share of the costs of this partnership.

Are any funds available to universities for the basic cost of hosting activities, providing technical assistance, providing training, etc.? Is there merit to providing some amount for each CESU for such purposes?

*Answer.* When CESUs were established, each partner Federal bureau provided \$10,000 toward a one-time start-up fund for the host university. With the reduced overhead rate of 17.5 percent agreed to by all universities, funds for hosting activities, technical assistance and training are very limited. While there may be merit in providing funds for universities that host CESUs for these purposes, such funding should remain directly linked to the individual research, technical assistance, or education projects entered into between the Federal bureaus and universities. Such funding provides substantial return on the investment for Federal agencies—providing for increased coordination, technical assistance, training, and other necessary CESU activities.

#### PRESIDENTIAL INAUGURAL

*Question.* As is customary, the fiscal year 2005 budget for the National Park Service and the U.S. Park Police included funding for additional costs associated with the presidential inaugural.

Can you provide for the record a breakdown of these costs? Has a full accounting of the NPS/USPP costs for the 2005 inaugural been completed? How did NPS/USPP incremental expenditures for the inaugural compare to the increases provided?

*Answer.* The National Capital Region received an appropriation of \$986,000 for the inaugural. Costs incurred by the region include planning, preparation and support of the celebration. Reported costs for the inaugural and the most recent estimates of post inaugural maintenance total \$980,000:

Item	Amount
Personnel Compensation .....	\$524,759
Communications .....	4,708

Item	Amount
Supplies/Materials .....	154,898
Equipment .....	52,705
Equipment Rentals .....	12,086
Services .....	230,844

Services of \$230,844 includes \$42,000 for turf restoration on the Mall, \$27,329 for fencing, \$8,390 for telephone and IT services, \$3,125 for removal of decorations from the National Christmas Tree, and \$150,000 for lighting along Pennsylvania Avenue NHP. Costs include post-inaugural maintenance activities, including \$50,000 for replacement and repair of press risers, \$98,114 for gravel on the National Mall walkways, and \$30,000 for paving along the sidewalks of Pennsylvania Avenue NHP. Expenditures and related estimates are consistent with the funds requested and provided in the fiscal year 2005 appropriation.

The U.S. Park Police received an appropriation of \$986,000 for the fiscal year 2005 Presidential Inaugural celebration. To date, reported expenditures from this fund total \$420,054:

Item	Amount
USPP Payroll .....	\$223,325
Travel .....	16,853
Equipment .....	33,702
Other Services .....	146,174

Other Services consist primarily of funds paid to law enforcement from neighboring counties. The final costs to the USPP are not expected to exceed the \$986,000 appropriation. The USPP also received \$165,000 from the 55th Presidential Inaugural Committee specifically earmarked for the "Celebration of Freedom", and expended \$144,283 for this event. The remainder of the \$165,000 was returned to the Committee.

#### FACILITY CONDITION INDICES

*Question.* As part of your effort to implement the President's Management Agenda, I note that the Department is using facility condition indices in several of its bureaus as a tool to help prioritize capital projects.

What bureaus are currently using or developing facility condition indices?

*Answer.* The Bureau of Land Management, the Bureau of Reclamation, U.S. Geological Survey, the Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs are currently using facility condition indices (FCI) to varying degrees. Currently, all bureaus are conducting condition assessments in which constructed assets have been or will be assigned an FCI. FCIs for constructed assets will be reported to the Federal Real Property Profile required by Public Law 13327 Real Property Asset Management starting in the first quarter of fiscal year 2006.

*Question.* To what degree are FCIs for individual facilities comparable across bureau lines?

*Answer.* Constructed assets can be compared across bureau lines when that constructed asset has the similar function such as housing and visitor centers. Currently, FCIs for individual facilities are not compared across bureau lines. However, the Department of the Interior's Asset Management Partnership, as outlined in the DOI Asset Management Plan (AMP), will be exploring the use across different types of assets within the various bureaus. The FCI will be used with a fully developed DOI-wide asset priority index (API) that rates each existing or proposed owned and leased asset in the inventory at a specific field unit/site based on its importance in carrying out the DOI and bureau missions and achieving strategic goals. In the second quarter of fiscal year 2006, the Asset Management Partnership will provide Departmental policy on improving the condition of the asset portfolio and properly sustaining it over asset life cycle or component life cycle.

*Question.* Would a BIA school with an FCI of .5 be in much the same condition as a National Park Service historic building with an FCI of .5?

*Answer.* The various types of constructed assets will have their own numerical scales of what is good, fair, and poor. The Asset Management Partnership will be reviewing FCI use across different types of assets across the Department.

*Question.* Are these measures currently useful in judging the condition of one bureau's assets against another, or primarily useful only for comparing assets within individual bureaus?



Answer. Currently, these measures are only useful in comparing like assets within an individual bureau. As noted in the response to the previous question, the Asset Management Partnership will be reviewing FCI use across different types of assets across the Department.

#### ARCTIC NATIONAL WILDLIFE REFUGE

*Question.* Based on what you know from past and current legislative proposals, if mineral development within the Arctic National Wildlife Refuge were to be authorized this year as proposed in your budget:

What would be required of the Department during fiscal year 2006? What would be the cost of those activities and what bureaus would likely perform them?

Answer. In answering this question, the following assumptions are made:

—The Bureau of Land Management (BLM) is the lead agency for the leasing program (e.g., BLM will be responsible for preparation of the Environmental Impact Statement during the pre-lease phase);

—Authorizing legislation would cover seismic exploration during the pre-lease phase; and

—Authorizing legislation addresses compatibility with Refuge purposes.

The following major functional tasks would be carried out prior to the first lease sale should Congress authorize energy development within the Arctic National Wildlife Refuge.

1. *Development of preliminary leasing regulations.*—After passage of authorizing legislation, and because there are currently no regulations in place for leasing in ANWR, the Department, through the BLM, would need to promulgate leasing regulations for the program. The specific content of the regulations would be contingent on the terms of the authorizing legislation. BLM has indicated that the regulations in place for leasing in the National Petroleum Reserve-Alaska (NPR-A) could serve as a template.

The process of drafting regulations would probably run concurrently with the process of drafting an Environmental Impact Statement. BLM estimates that, assuming no unforeseen delays, the final regulations would be issued prior to the lease sale.

2. *Development of Environmental Impact Statement.*—At the same time that the process of writing regulations begins, the BLM would begin the process of drafting the Environmental Impact Statement (EIS) for leasing activities. It is during the EIS process that any stipulations applicable to the leasing program would be developed. Like the leasing regulations, a template for stipulations exists from the NPR-A process, though BLM would also take into account any specific requirements of the ANWR authorizing legislation.

The minimum timeline for an EIS, from initiation to Record of Decision (ROD), is estimated at 18 months. Lawsuits related to the EIS could further delay implementation of a leasing program in ANWR.

3. *Seismic Exploration.*—Pre-lease seismic exploration, if carried out, would likely be done concurrently with development of the EIS.

4. *Post-ROD Final Preparations for Lease Sale.*—Again, using the NPR-A experience as a template, the final preparations for the lease sale would likely include the preparation by BLM of a Coastal Zone Management Consistency Determination; State of Alaska DNR review and response to that determination; then publication in the Federal Register of the Notice of Sale 30 days prior to the actual lease sale. Note that the State's response to the consistency determination must be received prior to publication of the Notice of Sale.

The minimum period of time estimated by BLM for this process, from the signing of the Record of Decision to the lease sale, is 120 days, broken down as follows:

	Days
BLM Preparation of draft CZM—Consistency Determination .....	30
BLM Internal Review of draft .....	10
State DNR review and response to draft .....	50
Publish Notice of Sale in Federal Register .....	<sup>1</sup> 30

<sup>1</sup> The Federal Register Notice requires a 45–60 day review period in the BLM Alaska State Office and the Washington Office prior to publication; this review would run concurrently with the first 90 days of these final preparations.

The lease sale would take place 30 days after publication of the Notice of Sale.

There are several places in this process where delays could result in a longer time period. For example, the State's review process for the consistency determination is actually 90 days, but the State normally agrees to shorten the review period to 50

days. Also, as noted above, the State's response to the consistency determination must be received prior to publication of the Notice of Sale.

The Department has not yet estimated the specific cost of performing these activities but expects that funding would be reallocated from other program activities as necessary.

#### BLACKFOOT CHALLENGE

*Question.* The Blackfoot River watershed is an extraordinary place, and if you haven't been there, I invite you or Ms. Scarlett to join me there this summer. A great strength of the valley is its community of citizen stewards—led by the Blackfoot Challenge. The Blackfoot Challenge exemplifies the spirit of cooperative conservation that you, the President and I are working to encourage and support.

I've been working hard to help the Blackfoot Challenge achieve its goal of conserving this remarkable place and the community that lives there. I've been pleased that the President requested funding to support this community-led initiative in both the fiscal year 2005 and 2006 Forest Service budgets. I am concerned, however, that your Department has not been supporting this project, despite the participation of local BLM and FWS officials from the get go.

Can you explain why your Department has not yet recognized the conservation opportunities that the local community, the Forest Service and the Congress have so clearly recognized? I am particularly concerned that the BLM, an agency whose mission I strongly support, has not been acting to support this project.

Can you help me understand the gap between BLM's local support and the lack of support by the Washington office?

*Answer.* The Blackfoot River Watershed Land and Water Conservation Fund LWCF project is part of a multi-phase land acquisition project. In order to implement the project, BLM is conducting appraisals, land use planning, and environmental clearances for the project. During fiscal year 2004, the Bureau carried over \$2.9 million in funding appropriated for the project. The Phase I Acquisition was completed in February 2005 with the acquisition of 2,500 acres. During fiscal year 2005, an additional \$4.9 million was appropriated for the purchase of approximately 4,000 acres. The BLM will complete the appraisal on the Phase II Acquisition by the end of fiscal year 2005, and has completed the appraisal on the Phase III Acquisition.

*Question.* Last fall FWS Director Steve Williams announced the start of planning for a conservation easement program to protect the working landscapes and natural resources of the Rocky Mountain Front. I hope this program will be a fine example of cooperative conservation by ranchers, conservationists and the Service.

When do you expect this long delayed planning effort to be completed?

*Answer.* The Front is a high-priority conservation area for the Service and its partners in the conservation community, including the State of Montana, the Boone and Crockett Club, and The Nature Conservancy, because it is the only remaining landscape in the Continental United States with a complete, intact and functional assemblage of large mammalian carnivores, including the grizzly bear, gray wolf, wolverine, and lynx.

The Preliminary Project Proposal for the Program was approved by the Service's Mountain-Prairie Regional Office in April, 2002 and forwarded to Service Director Williams for approval. The Director approved the PPP in October, 2004. This approval provided the Service's Regional Office with the authority to proceed with detailed planning to consider the establishment of the easement program. Since October, the regional planning team has met with the Montana Congressional delegation, conservation and sportsmen's groups, Federal agencies, state, and local governments, tribes, and various local business interests. The team has also held three public scoping meetings at various locations near the project area.

The Service has developed an Environmental Assessment, pursuant to the National Environmental Policy Act, to analyze the effects of establishing an easement program on the Front, and plans to issue a Finding of No Significant Impact as a result of the Environmental Assessment. These documents are currently under review for final approval by the leadership of the Service.

#### ENERGY DEVELOPMENT—FLAG GUIDANCE

*Question.* Your Department has been tasked with implementing a lot of President's Energy Plan. I applaud your aggressive efforts to encourage domestic energy production. At the same time, under your watch a Clinton-era guidance document—the so-called FLAG guidance—has continued to be used as a tool to frustrate the state permitting of critically important energy projects nationwide. In fact, Federal

land managers with jurisdiction in my state tried to stop a much-needed facility using these guidelines.

How do you justify having these internal guidelines—which were neither reviewed nor approved by the Congress—continue to frustrate energy development in the Nation?

Answer. Under the Clean Air Act, the Congress gave the Federal Land Managers (FLMs) an affirmative responsibility to protect the visibility and other air quality related values of parks and wilderness areas (i.e., Class I areas) from the adverse impacts of air pollution. One process used to meet this responsibility is reviewing permit applications for new and modified sources that may impact Class I areas under our responsibility. Under the statute, FLMs have an important role in the permit review process. It consists of reviewing permit applications in order to gauge the impact of proposed construction of major new sources (or major modifications) on Class I areas that are under the jurisdiction of FLMs, and providing comments and recommendations to the permitting authority (usually the State) on whether or not the applicant's facility could cause or contribute to an adverse impact on an air quality related value in the affected Class I area. The Federal Land Managers Air Quality Related Values Workgroup (or FLAG guidance) was designed to provide guidance to permit applicants and permitting authorities in the form of recommendations, specific prescriptions, and interpretation of results for assessing visibility impacts of new sources near Class I areas.

Both permit applicants and permitting authorities requested that the FLMs develop a consistent approach to reviewing permit applications and evaluating air pollution effects on sensitive resources. That is the primary reason why the National Park Service, the U.S. Fish and Wildlife Service, and the U.S. Forest Service, as the three Federal land managing agencies that administer the nation's Federal Class I areas, embarked on the FLAG initiative. Prior to FLAG, the different FLMs, or even administrative units within a single agency, requested different types of information and analyses from permittees. That frustrated both permit applicants and permitting authorities. However, we recognize that a review of FLAG implementation and possible changes to ensure consistency, timely decisions, and conformance with statutory authorities is warranted. By providing consistent guidance among the FLMs regarding what type of information is needed, the FLAG guidelines were intended to provide more certainty to the permit review process, and help avoid unnecessary delays in obtaining a permit to construct such facilities.

*Question.* Don't you think that these guidelines ought to be taken down, and that we should start this process over again the right way—with a notice-and-comment rulemaking?

Answer. In its current form, FLAG is a guidance document that is not legally binding on permit applicants or permitting authorities. Nevertheless, although the FLMs followed public notice and comment procedures for FLAG that were similar to a rulemaking,<sup>1</sup> the FLAG did not go through all the procedures necessary for an entity within the Department of the Interior to adopt a rule. Therefore, it does not constitute a rule. Accordingly, we are planning to initiate a process to determine whether FLAG or other guidance on this matter ought to be adopted formally in accordance with the DOI's rulemaking process and, if so, we would undertake such a process.

In the absence of FLAG, the FLMs would still need to review permit applications using the same Clean Air Act provisions and Environmental Protection Agency regulations and policies that FLAG relies on. By making the FLAG guidance available to permit applicants (including those from the energy sector) and permitting authorities, it was hoped that it would be possible to avoid delays that might result from lack of understanding of the FLM role and information needs. Because we now have more than four years of experience with draft FLAG guidance, we believe that it is appropriate to review and improve on the processes by which the FLMs review and comment on new source permits.

#### NATIONAL PARK SERVICE PARTNERSHIPS

*Question.* This Committee has been working extensively with the Department to tighten management of NPS partnerships at all levels of the Service. We absolutely want to encourage partnerships where appropriate, but want to be certain that

<sup>1</sup>For example, prior to releasing the FLAG, the FLMs announced their FLAG intentions in the Federal Register, provided a 90-day public comment period on the draft FLAG report, conducted a public meeting to hear oral comments, considered all comments and prepared a response to comments document, and made appropriate changes to the draft FLAG guidance based on public comments received.

those partnerships fit with the Service's mission and are prioritized appropriately against non-partnership projects.

One of the focal points of these discussions has been the proposed National Center for the American Revolution at Valley Forge NHP. I think we share a concern that the scope of this project be carefully considered in light of other NPS needs and future operational demands.

Can you bring me up to date as to the status of this project within the Department? Can you describe the concerns you have about this project?

Answer. The NPS continues to work extensively with the partner to develop a full understanding and compile the remaining analysis to determine when it is appropriate to request approval of this project by the House and Senate Congressional Appropriations Committees, as required. Issues to resolve include the size of the building, operational sustainability of the project, viability of the partnership and the amount of Federal investment, both capital and operations funding envisioned by the partner as necessary to help the project reach its operational revenue projections.

Within the last year, the Service commissioned a "Peer Review" of the building design and operational plans for the new ARC. This study reviewed all of the development and operational assumptions used by the partner in scoping this facility. Specific review was done of expected attendance, physical planning guidelines, financial performance outlook, transportation analysis, visitor experience, visual assessment and operating and staffing recommendations. The Peer Review recommended a building scope that would achieve all project objectives, could still be considered sustainable and was ten percent smaller than the original project being recommended by the partner. As the result of this Peer Review, the project was reduced in size to meet the Peer Review recommendations.

After this work was completed, the NPS, in partnership with ARC, agreed to complete the following analyses to fulfill the requirements under Director's Order 21 (DO21) and the new Partnership Construction Development Process:

- A fundraising feasibility study to determine the readiness of the partner to raise the required funds, probable sources of contributions and length of time required to achieve stated fundraising goals. The feasibility study is due to begin on April 14, 2005. The standard timeframe for this process is 3–6 months. If the study indicates that the funding target cannot be reached, the partners would be required to adjust the size of the project, as well as assumptions about operations of the building.
- A fundraising plan that addresses roles and responsibilities, including goals; timetable; scope; potential donors; fundraising strategies and techniques to be used; promotional or marketing strategies; donor recognition guidelines; and fundraising experience of personnel assigned to carry out the plan. An earlier version of a fundraising plan submitted to the NPS was not based on a feasibility study and failed to comply with DO21.
- An updated outline of an Operations Plan which will describe the general operations of the museum facility/collections center, including the nature and type of activities to be conducted, the respective roles of the parties, NPS rights for the use of the facilities, and the source and use of operating revenue. Operation of the facilities shall be in accordance with applicable Federal, State, and local regulations, public NPS standards generally applicable to such facilities, and other criteria described.
- An Expected Budget that will explain the budget commitments of ARC and the expected budget implications for NPS. The budget presentation will be activity based and will be designed to clearly show the involvement of both partners and their respective areas of emphasis. The budget will address the financial impact the project could have on the park in best and worst case scenarios with respect to projected park visitation, staffing, maintenance, and other factors. The budget also communicates NPS's commitment that the project not diminish existing service levels at the park. The budget will be developed to ensure that the partners themselves can make future modifications and the model will remain useful in years to come. The budget will be presented in a format suitable for communication amongst the diverse government and private stakeholders in this project.

The National Park Service will consider presenting the project to the House and Senate Congressional Appropriation Committees once this work is completed and reviewed by the Service and the Department.

*Question.* Have the project partners made adjustments in their proposal in response to the concerns expressed by the Department, or in response to concerns expressed by Congress?

Answer. In response to concerns and questions raised by the Service, Department, and Congress, adjustments have been made to the proposal and to the partnership. These adjustments include:

- Reducing the size of the facility from 131,000 square feet to the current target of 90,000 square feet.
- Compliance with the approved models for collections storage facilities and visitor centers (the museum will comprise a small orientation area, restrooms, book store, and food service area that fulfill visitor center functions).
- Participation by the partner in a Fundraising Feasibility Study which will determine the likelihood of such a fundraising venture being successful.
- Agreement by the partner not to seek funding from Congress for the project.
- Compliance with the Service's Director's Order 21 and the Appropriation Committee's requirement that the NPS seek approval from Congress.

The Service and the Department fully expect that the partner will comply with any recommendations resulting from the Fundraising Feasibility Study once completed or the project will not be moved forward.

#### U.S. GEOLOGICAL SURVEY (USGS)—LANDSAT SATELLITE MISSION/FUNDING

*Question.* The fiscal year 2006 budget includes a \$12 million request to support the current Landsat 7 satellite mission and \$7.5 million to begin system development for the follow-on mission scheduled for 2009.

Give us a brief update on the status of Landsat 7. Has a solution been found to correct the degraded data that is sent from the satellite? If not, how valuable is the data now being archived? How significantly has demand for these products diminished?

Answer. Although the imaging equipment onboard the spacecraft cannot be repaired and is still impacting the images being acquired, the Landsat 7 images collected after May of 2003 are still very useful, as demonstrated by the uses of the data to map the devastation that resulted from the recent Indian Ocean tsunami. The USGS has developed several new products since the anomaly. Users can currently order (1) pre-anomaly scenes (prior to the equipment failure), (2) post-anomaly scenes, those containing scan line gaps (non-gap filled), and (3) three variations of gap-filled products where the gaps are filled by interpolation using data from the edges of the gap, data previously collected (1 to 1½ years old) or, data from a scene collected 16 days previously. In October 2003, the USGS began selling the non-gap filled scenes and in May 2004 introduced the first of the gap-filled products. Based on input from the user community, the USGS expects these new products to appeal to users that have heretofore not purchased the post-anomaly products. Although it is taking time for the community to realize that Landsat 7 continues to collect seasonal, global data sets that can still provide accurate land-cover and land-use records, currently post anomaly and gap-filled products account for 40 percent of Landsat 7 data sales. In fiscal year 2005 the USGS expects to distribute over 6,000 Landsat 7 scenes, which is less than half of the scenes that were distributed per year prior to the anomaly. From fiscal year 2005 and forward the USGS expects income from data sales to stabilize at approximately \$3.3 million per year and fees from International Cooperators at approximately \$1.5 million.

*Question.* Describe in greater detail the Landsat Data Continuity Mission. What is the full cost of developing systems and other requirements that will be needed to accommodate data from the 2009 satellite launch?

Answer. In December 2003, a White House-chartered interagency working group concluded that the best solution for Landsat data continuity was to host a Landsat instrument on two of the planned National Polar-orbiting Operational Environmental Satellite System (NPOESS) weather satellites. The mission, renamed from the Landsat Data Continuity Mission to Landsat on NPOESS, will be the follow-on to the Landsat 7 mission. Landsat on NPOESS is intended to ensure the continued acquisition and availability of Landsat-quality data in order to provide policy-makers, researchers and the public with long-term global monitoring of the terrestrial environment.

NPOESS will converge existing military and civilian polar-orbiting weather satellite systems under a single national program. Polar-orbiting satellites are able to monitor almost the entire landmass of the planet. NPOESS is managed by a tri-agency Integrated Program Office (IPO) using personnel from the Department of Commerce, Department of Defense, and NASA.

NPOESS requires remote sensing data from three orbital planes to accomplish its mission. Each plane is identified by its longitude of ascending node (LTAN), or 13:30, 17:30, and 21:30. The NPOESS program will launch 6 (two in each LTAN) satellites over a 10–15 year period. Both of the 17:30 spacecraft will host an Oper-

ational Land Imager (OLI) that will employ a solid-state sensor and collect data in one panchromatic and eight multispectral bands (see Table 1) over the entire Earth's land surface (85° North latitude to 85° South latitude).

The USGS expects this successor to the Landsat 7 Enhanced Thematic Mapper Plus (ETM+) sensor to be operational on board NOAA's NPOESS by early calendar year 2010. While the OLI uses different sensor technology than the previous Landsat satellites, its spectral bands, combined with a rigorous calibration, will ensure continuity with millions of Landsat scenes collected and archived by the USGS over the past 34+ years.

TABLE 1.—SPECTRAL BANDS TO BE ACQUIRED BY THE OLI SENSOR ONBOARD TWO OF THE NPOESS SATELLITES

Band	Band type	Scientific applications	Heritage	Resolution m
1 .....	Coastal Aerosol .....	Useful in water studies .....	ALI/MODIS .....	30
2 .....	Blue .....	Useful for water body penetration (bathymetric mapping), distinguishing soil from vegetation, and forest type mapping.	ETM+ Band 1 .....	30
3 .....	Green .....	Useful to measure green reflectance peak in vegetation.	ETM+ Band 2 .....	30
4 .....	Red .....	Useful to help discriminate vegetation types .....	ETM+ Band 3 .....	30
5 .....	Near IR .....	Useful for differentiating vegetation types, biomass content and water/land interfaces.	ETM+ Band 4/ALI .....	30
6 .....	Shortwave IR 1 .....	Useful for looking at moisture content of soil and vegetation.	ETM+ Band 5 .....	30
7 .....	Shortwave IR 2 .....	Useful for discriminating mineral and rock types ...	ETM+ Band 7 .....	30
8 .....	Panchromatic .....	Useful as a sharpening band .....	ETM+ Pan Band/ALI ...	15
9 .....	Cirrus .....	Useful for cirrus clouds and aerosols .....	MODIS .....	30

The USGS costs for participating in the Landsat on NPOESS mission are provided in the table below. The costs are shown from fiscal year 2005 to fiscal year 2023 and include both development and operations costs.

	Fiscal year						BTC <sup>2</sup>
	2005 enacted	2006 budget	2007 <sup>1</sup>	2008	2009	2010	
USGS .....	0.75	8.20	24.15	20.24	19.14	<sup>3</sup> 22.85	299.00

<sup>1</sup> Outyear numbers are based on current program estimates and subject to change.

<sup>2</sup> BTC=Budget to Complete—includes estimates through the lifetime of the second Landsat on NPOESS mission. (fiscal year 2023)

<sup>3</sup> Fiscal year 2009 through BTC for USGS are total cost estimates only. It is expected that fees from data sales will offset a part of this cost.

#### U.S. GEOLOGICAL SURVEY (USGS)—TSUNAMI-RELATED ACTIVITIES

**Question.** In the aftermath of the 9.0 earthquake and resulting tsunami this past December, Congress is now considering a supplemental appropriations bill that includes a request of \$8.1 million for USGS. These funds will enable the Survey to procure and install additional seismic monitoring stations and also enhance the existing seismic monitoring network. The fiscal year 2006 budget request includes a proposal for an additional \$5.4 million to continue work initiated with supplemental funding, as well as to provide maintenance and staffing of new and enhanced systems.

To what extent will the Survey's earthquake detection and warning systems be improved by these investments?

**Answer.** The funding requested by the Administration for fiscal year 2005 and fiscal year 2006 will permit the USGS to accelerate and complete several key improvements and upgrades to its National Earthquake Information Center (NEIC), to the Global Seismographic Network (GSN), and to key earthquake response products. Prior to December's tsunami, USGS had begun a slow process of upgrading its 20-year-old legacy system for real-time earthquake detection and notification. The additional support will allow the NEIC to complete development and deployment of its new software system, Hydra, which enables more rapid earthquake detection and notification in tsunamagenic source areas that border the United States and its territories. Moreover, these enhancements are necessary to ensure reliable operations, performance, and long-term operational cost efficiencies.

The USGS' new *Prompt Assessment of Global Earthquakes for Response* (PAGER) system uses information about an earthquake's source (e.g., ground shaking, rupture length, depth), combined with information regarding population and infrastructure in the affected region, to estimate potential impact (both damage and loss of life) of a major ground shaking event. PAGER is ideal for both domestic and international earthquakes in areas where a dense seismic network is not available, but where a rapid assessment is critical for estimating impact. Funding for PAGER will provide for additional research scientists, technical support, and computer programmers needed to fully implement the PAGER program. The outcome of this investment will be improved algorithms for Global ShakeMaps, finite fault modeling, rapid aftershock identification and association, and loss estimation. PAGER will also allow for integration and evaluation of impact of secondary hazards such as liquefaction, landslides, and tsunamis.

The NEIC requires a full-time, 24x7 staff of seismologists to quickly respond to potentially damaging events and ensure data throughput to the National Oceanic and Atmospheric Administration (NOAA) tsunami warning centers. NEIC also requires a commensurate level of commitment to oversee the computer and network operations to ensure continuity of operations 24x7 (currently a small group of research scientists volunteer on an ad hoc basis to respond when computer systems fail in the off hours). With the requested support, NEIC will decrease reporting time for global earthquakes (currently over one hour) and reliably deliver a complete suite of earthquake products, including PAGER, within 20 minutes or less.

The Global Seismographic Network (GSN) is a critical source of seismic data for earthquake detection and tsunami warnings. The GSN is jointly supported by USGS and the National Science Foundation, with USGS responsible for operations and maintenance of approximately two-thirds of the network. Improved telemetry connections are needed so that all GSN stations provide data in real time. Other noted improvements include more frequent maintenance for enhanced uptime and expanded field recording. With the enhanced funding, telemetry upgrades will be made system-wide to improve the timeliness and accuracy of earthquake analyses for rapid response. In the Caribbean, where there is an earthquake and tsunami threat to U.S. territories, additional GSN-quality stations will be installed to adequately monitor the earthquake activity and provide rapid reports to response officials. The outcome of this investment will be a state of the art, real time earthquake detection and notification system that is both timely and robust and enables delivery of a suite of value-added earthquake information products that emergency managers want.

Software developed through the California Integrated Seismic Network (a USGS, university, and State partnership) to speed USGS-generated earthquake information directly to local emergency managers has a dual-use capability to also provide NOAA tsunami warnings. This system, designed to provide a mechanism for instantaneous transmission of seismic information, complements existing NOAA delivery mechanisms. Investment in this area will allow emergency managers to respond to earthquakes as well as tsunamis.

*Question.* How much of an additional investment would be required to optimize the system?

*Answer.* With the funding requested in the 2005 Emergency Supplemental Appropriations Act and the 2006 President's budget request, we are on our way to having an optimized tsunami warning system. The requested funding will provide software development with the National Earthquake Information Center, enhanced operations and maintenance of the NEIC including its continuous operation 24 hours a day, 7 days a week, full implementation of the Prompt Assessment of Global Earthquakes for Response system to estimate potential impact of major ground shaking event, improved tsunami warning distribution, and improved global seismic monitoring and rapid information delivery. The increased funding will also allow for the collection and assessment of the geological and geospatial information necessary to improve regional assessments of coastal areas for potential damage from a tsunami hazard. The supplemental includes \$8.1 million for these activities and the 2006 budget request includes an additional \$5.4 million for these activities. Funding in the outyears is expected to be level with the 2006 request.

*Question.* How is GS contributing to the global effort to improve coordination of early warning systems and the communication of critical data?

*Answer.* The USGS Director is providing leadership toward the development of the Global Earth Observations System of Systems (GEOSS), an international effort to develop a comprehensive, sustained, and integrated Earth observation system. The implementation plan for GEOSS was adopted at the Third Earth Observation Summit held in Brussels, February 2005. In parallel, the United States has developed a Strategic Plan for the U.S. Integrated Earth Observation System, which, like

the GEOSS plan, focuses around nine societal benefit areas, including “Reduce loss of life and property from disasters” and “Protect and monitor our ocean resources.” The USGS will work with its GEOSS partners and other international bodies (such as the UNESCO International Oceans Committee) to develop a global tsunami warning system.

As part of the President’s “Disaster Management” e-Government Initiative, one of 24 initiatives established by the President’s Management Council, the initiative’s Web site is linked to USGS disaster information Web sites to ensure that the most current USGS research results and data are available to organizations and citizens as part of the initiative’s effort to make better use of information technology (IT) investments and to reduce government response time to citizens.

In addition, the USGS is exploring the feasibility of earthquake early warning, in which rapid computer analysis and communication links are used to provide seconds of warning before earthquake waves arrive (much as is done for tsunami waves on a much longer time scale). Such warning systems are in place in Japan, Mexico, and Taiwan. The 2000 reauthorization of the National Earthquake Hazards Reduction Program (NEHRP) called for development of a U.S. early warning system for earthquakes. The USGS would implement early warning as part of a fully implemented Advanced National Seismic System (ANSS). The USGS sponsors modest research and development in this area. The largest unmet need for early warning is station density. In addition, prototype software requires significant effort to become fully operational.

*Question.* What lessons has GS learned that might be applied in our own country to better protect our citizens living in potentially hazardous areas?

Answer. The tsunami disaster of December 26, 2004, has resulted in increased awareness of tsunami and earthquake risk in Alaska, Hawaii, California, the Pacific Northwest, the Caribbean, and even the eastern U.S. seaboard. Seismic monitoring systems need to be upgraded in these areas if they are to serve as sentinels for tsunami warning. USGS is strengthening regional seismic networks in California, Alaska, Oregon and Washington through the Advanced National Seismic System (ANSS) modernization. In addition, USGS partners with National Oceanic and Atmospheric Administration (NOAA) through the National Tsunami Hazard Mitigation Program to strengthen coastal seismic networks in those states and Hawaii. Moreover, it is clear that education and training are critical, both for public officials and emergency responders, and for the public at-large. In the Pacific Northwest, USGS scientists work together with state and local emergency managers in presentations to coastal communities on tsunami hazards. USGS has also developed publications for public awareness and maintains a popular Web site with information on tsunami and earthquake hazards. USGS recently partnered with the Cascadia Regional Earthquake Working Group to produce a scenario examining the impacts of a magnitude-9 earthquake off the coast of the Pacific Northwest. This document will help policy-makers and the public understand and address the hazard. Even with networks and warning systems in place, if people do not know how best to respond to a warning (or a felt shaking of the ground), its value is greatly diminished.

#### U.S. GEOLOGICAL SURVEY—MINERALS RESOURCES REDUCTION

*Question.* A \$28.5 million reduction is proposed for minerals research and assessment activities. Programs to be discontinued include the collection of comprehensive basic geologic, geochemical, geophysical and mineral deposit data for the nation; the USGS-led internationally coordinated global mineral resource assessment to provide predictions of worldwide distribution of undiscovered deposits of critical metallic and nonmetallic mineral commodities; and the elimination of 20 mineral commodity reports a year.

Does any other government entity have responsibility for the functions now being performed by the Minerals Resources program? If GS discontinues much of its work in this area, will there be a central organization to collect, interpret and disseminate this information to the public?

Answer. This reduction was a difficult decision based on funding priorities and budget constraints. The Administration chose the Minerals Resources Program for reduction because the research is lower priority as compared to other USGS programs and because the expertise to continue this work exists with State geological surveys, and in universities. The Administration believes that if the work being eliminated is of high importance to private industry or States, they could pick up the work, in partnership agreements.

*Question.* Why wouldn’t the collection and distribution of this data be considered an inherently governmental function?



Answer. Inherently governmental functions are usually classified as functions that are so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities that require either the exercise of discretion in applying Government authority or the making of value judgments in making decisions for the Government. Governmental functions normally fall into two categories: (1) the act of governing, i.e., the discretionary exercise of Government authority, and (2) monetary transactions and entitlements. An inherently governmental function also involves, among other things, the interpretation and execution of the laws of the United States.

In the case of the minerals resources program, the USGS is providing a service of collecting and distributing minerals assessment data. The Administration does not believe that this activity classifies as being inherently governmental and that this service can be performed by non-Federal entities.

*Question.* Given the fact that competition for the importation of mineral resources is expected to increase significantly as emerging industrial nations such as China enter the world market, why wouldn't it be considered in our national interest to develop and maintain this data?

Answer. There are many worthy programs that the Administration would like to support, but cannot support in the current budget climate. We believe that the expertise and interest exist outside the Federal government to develop and maintain this data.

*Question.* The proposed program reduction in minerals resources would result in a reduction-in-force of approximately 240 currently occupied positions at an estimated cost of \$30,000 per person—in other words, \$7.2 million total. There is no provision for the payment of these costs, while at the same time a reduction of \$1.7 million in savings resulting from office closures in locations throughout the country is assumed.

How does the Department propose to cover the costs that GS will incur with this RIF? Some of the employees within the minerals resources program are under union contract; what impact would this have on the cost and implementation of a RIF?

Answer. Reduction in Force costs will be covered within the USGS. Using a cost estimate of \$30,000 per position abolished and a separation date of October 1, 2005, costs are estimated to be at least \$7 million. USGS is revising this estimate and will provide a firmer estimate as soon as possible. USGS and the Department are looking at Voluntary Separation Incentive Program/Voluntary Early Retirement Authority (VSIP/VERA) options and the ability to place affected employees in other positions when possible to soften the impact of the RIF.

#### MINERALS MANAGEMENT SERVICE—ROYALTY IN KIND PROGRAM

*Question.* In the last several years, the Minerals Management Service (MMS) has greatly expanded its use of the Royalty-In-Kind (RIK) authority. Currently, over 80 percent of the oil production from the Gulf of Mexico is taken "in kind" in order to fill up the Strategic Petroleum Reserve (SPR).

When do you expect SPR to be filled up this year?

Answer. As of January 2005, DOE anticipated the SPR reaching its 700 million barrel capacity in July/August 2005. DOE will provide an update to MMS on the anticipated fill date in mid-May 2005.

*Question.* After SPR is filled, does the agency plan to continue to take the bulk of its Gulf of Mexico royalty production "in kind" rather than "in value?"

Answer. We anticipate that the royalty production committed to the current SPR program will convert to an RIK commercial program this fall, assuming continuation of favorable economic conditions and receipt of fair market value in the MMS RIK crude oil program.

*Question.* In the fiscal year 2005 Interior appropriations bill, the Committee expanded the agency's RIK authority to allow the MMS to recover the direct costs for running the program from the proceeds of oil and gas taken in kind. This was designed to enhance your ability to use the RIK authority.

Why has this authority been proposed for elimination in the fiscal year 2006 budget?

Answer. Appropriations language as proposed in the fiscal year 2006 President's Request is not inconsistent with the goals and objectives as outlined in the Five Year Royalty In Kind Business Plan that was issued in May 2004.

*Question.* Would continuing this authority be useful in running the program at full capacity?

Answer. No, this authority is unnecessary. The fiscal year 2006 President's Request includes \$9.8 million in funding for the Royalty In Kind Program. This level of funding provides the resources necessary to carry out the goals and objectives of

the Program. In addition, discretionary funding for these activities will better ensure proper oversight and accountability in the program.

OFFICE OF SURFACE MINING—SMCRA REAUTHORIZATION

*Question.* As it did last year, the Office of Surface Mining budget includes a \$58 million increase which is tied to the Administration's proposal to reauthorize the Surface Mining Control and Reclamation Act (SMCRA). SMCRA expires on June 30, 2005, and with it the ability to collect additional fees.

How would the administration's proposal on SMCRA alter the way the program is run currently?

*Answer.* The Administration has not at this point submitted a reauthorization proposal to Congress. However, our budget request for fiscal year 2006 includes a grant increase of \$58 million to support legislation that would accomplish the primary goals of the legislation from last year. These goals were:

- A fee extension for a period sufficient to collect funds to address the current inventory of health and safety coal related problems.
- Expedited payment of the current unappropriated balances to certified states and tribes.
- Change in the allocation of future collections to focus more resources on reclamation of high priority coal related health and safety problems.
- An overall request that fits within the mandatory and discretionary spending limits assumed in the President's budget.

*Question.* Do you expect the authorizing committees to have acted on a bill by the time SMCRA expires?

*Answer.* It is important to note that only the fee collection authority in SMCRA expires on June 30, 2005. All other aspects of the Act remain in force. We are working very closely with Congress to develop a mutually acceptable bill that does not polarize individual stakeholders. We have seen some progress in our efforts and are hopeful that we will see such a bill before June 30, 2005.

*Question.* If there is a period of time during which SMCRA lapses, what will be the impacts on carrying out the AML program?

*Answer.* Only the fee collection authority would expire on June 20, 2005. In the short term, there would be no immediate impact, since we have an appropriation for fiscal year 2005, and there is an unappropriated balance in the AML fund (\$1.668 billion as of September 30, 2004). However, over the longer term, we estimate that at least \$2 billion worth of high priority coal-related health and safety problems will remain with no identified funding source to address them. This means that at least 2 million people living within one mile of such a hazard will remain at risk.

Assuming approximately the same level of appropriations as in recent years:

- Within two years, funds dedicated to states based upon need (i.e., funds allocated under Section 402(g)(5)) would be exhausted.
- Also within two years, funds in the Federal operating account described in Section 402(g)(3) will be exhausted. This allocation is used to fund federally managed reclamation in non-primacy states and tribes, state managed emergency reclamation, federally managed emergencies in non-primacy states and in those states that do not manage the emergency program, minimum program supplements, the Small Operator Assistance Program (SOAP), The Clean Streams Program Watershed Cooperative Agreements, and Federal operations.
- Beginning in fiscal year 2008, funds would be distributed based on unappropriated state and tribal share balances, without consideration of need. Approximately 50 percent of these funds are for certified states and tribes that have certified that they have no remaining coal problems.
- An unappropriated balance of \$330 million will remain in the Rural Abandoned Mineland Program (RAMP) account, a program that has not been funded for nearly a decade.

Should the fee expire on June 30, 2005, OSM will take immediate steps to protect the health and safety of citizens. While the Clean Streams Program, SOAP, and Watershed Cooperative agreements are all valuable programs, we consider them to be lower priority than the emergencies that are funded from the same allocation. Thus, we will provide no further funds for these programs after June 30. The funds saved will be redirected instead to partially fund another year of emergency work.

It should be noted that the administration has proposed a rule pursuant to Section 402(b). This rule will allow us to collect a fee sufficient to make a deposit to the Combined Benefit Fund equal to the interest earned on the AML fund.

## MINERALS MANAGEMENT SERVICE—HURRICANE IMPACTS ON OIL PRODUCTION

*Question.* The 2004 hurricane season was an unusually active one. Hurricanes Charley, Ivan and Frances caused extensive damage in Florida and in the Gulf of Mexico where most of the nation's offshore oil and gas production is located.

What were the impacts from these storms on production output?

*Answer.*

*Hurricane Ivan (9/11/2004–2/14/2005)*

- Of the approximately 4,000 structures and approximately 33,000 miles of pipelines in the GOM, 150 platforms and 10,000 miles of pipelines were in the direct path of Hurricane Ivan.
- Destroyed 7 platforms and caused significant damage to 24 other platforms.
- Numerous pipelines were damaged, mostly by mudslides at the mouth of the Mississippi River.
- Initially, industry evacuated over 545 platforms and shut-in approximately 1.4 million barrels of oil and approximately 6,515 MMCF of gas production per day. The shut-in oil production was equivalent to approximately 83 percent of the approximately 1.7 million BOPD in the GOM production. The shut-in gas production was equivalent to approximately 53 percent of the approximately 12.3 BCFPD in the GOM.
- Within 2 weeks on September 27, 2004, industry had only 31 platforms evacuated and shut-in approximately 490,000 barrels of oil and approximately 2,350 MMCF of gas production per day.
- On November 1, 2004, industry had only 9 platforms still evacuated (not counting 7 destroyed structures) and shut-in approximately 224,000 barrels of oil and approximately 905 MMCF of gas production per day.
- As of February 14, 2005, industry still had 9 platforms evacuated (not counting 7 destroyed structures) and shut-in approximately 126,000 barrels of oil and approximately 147 MMCF of gas production per day.
- Cumulative shut-in oil production for the period of 9/11/04–2/14/05 was 43,841,245 bbls, the equivalent of 7.246 percent of the yearly production of oil in the GOM, which is approximately 605 million barrels.
- Cumulative shut-in gas production for the period of 9/11/04–2/14/05 was 172.259 BCF, the equivalent of 3.871 percent of the yearly production of gas in the GOM, which is approximately 4.45 TCF.

*Hurricane Frances (9/3/2004–9/7/2004):*

- Cumulative shut-in oil production was approximately 62,000 barrels, the equivalent of 0.015 percent of the yearly production in the GOM which is approximately 605 million barrels.
- Cumulative shut-in gas production was approximately 118 MMCF, the equivalent of 0.003 percent of the yearly production of gas in the GOM which is approximately 4.45 TCF.

*Tropical Storm Bonnie and Hurricane Charley (8/10/2004–8/13/2004):*

- Cumulative shut-in oil production was approximately 1.3 million barrels, the equivalent of 0.21 percent of the yearly production of oil in the GOM which is approximately 605 million barrels.
- Cumulative shut-in gas production was approximately 4,100 MMCF, the equivalent of 0.0922 percent of the yearly production of gas in the GOM which is approximately 4.45 TCF.

*Question.* Are we back at 100 percent capability?

*Answer.* While technically not back at 100 percent, the production level has virtually returned to normal, and additional new platforms have added capacity and are now producing.

*Question.* Have you included any necessary funding in the fiscal year 2006 budget request to ensure that MMS has the necessary resources to make sure we get back to full production capacity and maintain it in the Gulf?

*Answer.* Yes. MMS is conducting engineering studies to examine the precise structural forces that were experienced by the platforms during Hurricane Ivan. MMS received \$500,000 from Congress in fiscal year 2005 to contract technical studies of the impacts of Hurricane Ivan. Competitive award proposals for these studies are being prepared and are close to being awarded. MMS has met on several occasions with industry to discuss the impacts of Hurricane Ivan on the platforms, pipelines and drilling rigs. Various committees have been established to review specific standards and technical issues. On July 26–28, 2005, MMS and industry will co-sponsor a workshop to further review the committee reports and review possible modification to industry and MMS standards and identify further research needs.

## FISH AND WILDLIFE SERVICE—COURT ORDER ON WOLVES

*Question.* A recent court order by the Federal district court in Portland, Oregon reversed the Fish and Wildlife Service's decision to "downlist" the gray wolf from "endangered" to "threatened" in the Western and Eastern United States. As you know, in Montana the state has worked hard on a plan for wolf management that will allow for landowners to deal with wolves that prey on livestock. The FWS approved that plan.

Will the court's decision to classify wolves as endangered affect the ability to deal with wolves who are harassing and killing livestock in Montana?

*Answer.* No. The Oregon ruling did vacate both the 2003 reclassification to threatened status and the accompanying new regulations under section 4(d), which allowed for management of problem wolves due to its threatened status. However, section 10 of the ESA does provide other avenues for the management of listed species, including the "take" of individuals of endangered wildlife species. In Montana, we will use two different mechanisms, one for wolves in the northern part of the state, and one in the south. Wolves in southern Montana are part of a "nonessential experimental population," a classification that allows for more active management than is usual for endangered species. In 2004, we promulgated a special rule (under section 10(j) of the ESA) for the experimental population area; this rule provides for management of depredating wolves, and was not affected by the Oregon court's ruling. Experimental populations under section 10(j) afford more regulatory flexibility for population reintroductions. In northern Montana, previous to the 2003 final rule, the Service implemented a 1999 interim wolf control plan through the Regional Director's section 10(a)(1)(a) permit. This permit provides for the control of depredating wolves, and will be used to manage wolves in northern Montana.

*Question.* Is the Department of the Interior planning to appeal this ruling?

*Answer.* The Department has asked the court to clarify the ruling. Until the court responds, the Department is considering all options, including appealing.

## FISH AND WILDLIFE SERVICE—STATE WILDLIFE GRANTS

*Question.* I see that the proposed budget request for fiscal year 2006 includes an increase of \$5 million for the state wildlife grant program. This program funds the development and implementation of state conservation plans. The deadline for each state to have its plan completed is October 1, 2005.

Do you expect all the states to meet this deadline?

*Answer.* Yes. The Service expects all 50 States and 6 territories to have plans completed by October 1, 2005. The Service has in place technical assistance teams to provide guidance and assistance to our State cooperators for their plans. The purpose of these teams is to ensure that the Service has provided all of the possible resources to our cooperators to allow them to successfully prepare their plans.

*Question.* In working with the states are you pleased with the quality of the plans that they are developing?

*Answer.* Yes. Judging from early drafts of the plans and from our interaction with the States in meetings and conferences, we are pleased with the quality of many of the plans. Good examples are North Carolina and Alaska that have both put out for public comment draft Plans that appear to be of very high quality.

*Question.* One of the major reasons the sage grouse was not listed was that many states that had populations of sage grouse had conservation plans in place to manage for the protection of the grouse. Do you feel that having the conservation plans developed under the state wildlife grant program can prevent future listings by putting in place conservation strategies for other species?

*Answer.* We hope that conservation efforts resulting from the State Comprehensive Wildlife Conservation Plans will make listing unnecessary for many species. We recognize, however, that some of the State plans may not address all of the taxa that can be listed under the Endangered Species Act (ESA) (e.g. insects and plants) due to differences in their various legislative authorities. We strongly support the development of the State Plans, as they are a crucial starting point for planning and implementing individual conservation efforts that can reduce or remove threats to species to the point that listing will not be necessary. It is important to note that the nature and timing of conservation efforts implemented under the State plans, rather than the plans themselves, will be a key factor in whether listing is unnecessary for a given species.

## MINERALS MANAGEMENT SERVICE—USER FEES

*Question.* The budget request for MMS includes a number of new fees for services for which the agency currently does not charge. The fiscal year 2006 budget esti-

mates that the agency will collect \$13.5 million of these new fees. I understand that with oil at over \$50 per barrel the big companies can probably afford a few new fees, but my concern is the small producer.

Has the Department considered the impact of these new fees on smaller producers?

Answer. The rulemaking process requires MMS to assess the impact of any proposals on small business. In addition, comments received through the Advanced Notice of Proposed Rulemaking (ANPR) and proposed rule process will be considered. Through the commenting process, MMS is expecting companies of all sizes to provide us information on how proposed fees will impact their business operations.

*Question.* Could these new fees have an impact on the incentive for some operators to develop additional production capacity?

Answer. These fees are too low to have a measurable impact on operator incentives. The proposed fees would be a tiny percentage of the estimated gross revenue realized by the operators on the OCS. The Department has published an ANPR in order to provide stakeholders an opportunity to comment on the fiscal year 2006 cost recovery proposal. Any comments regarding the impact of fees on small producers will be taken into consideration during the rulemaking process.

*Question.* Would you consider waiving these new fees for smaller operators?

Answer. The MMS will carefully consider public input during the rulemaking process and may reduce fees for small operators if warranted.

#### MINERALS MANAGEMENT SERVICE—5-YEAR PLAN

*Question.* I understand that you will soon begin work on the next 5 year plan as required by the OCS Lands Act. The 5 year plan specifies the size, timing, and location of areas to be leased for Federal offshore oil and natural gas. Currently, most of the offshore areas in the United States are under moratoria which prevent exploration and development.

With oil at over \$50 a barrel and the reliability of foreign sources more in question, does it make sense to continue to keep such vast areas off limits to oil and gas development?

Answer. The Administration continues to support executive withdrawals through 2012.

*Question.* During the development of the next 5 year plan will the Department have the legal authority to at least analyze the oil/gas potential of areas that are covered by the moratoria so that we know the extent of the production capacity that we are forgoing?

Answer. The Department has the legal authority to assess resources anywhere on the OCS. In fact, it is done on a periodic cycle. The current information is from the 2000 National Assessment. The 2005 National Assessment is being prepared with projected publication in 2006.

#### BUREAU OF LAND MANAGEMENT—WILD HORSE AND BURRO PROGRAM

*Question.* Secretary, as you know, we have grappled with the Wild Horse and Burro program for a number of years. Rapidly increasing costs and the inability of the adoption program to keep pace with the number of animals being taken off of Federal lands was crippling the Bureau. Last year as a result, I worked with my colleagues on both sides of the aisle to enact Sec. 142, which sets parameters to sell some of the animals.

Some have argued that these horses will go to slaughter, but it has always been my belief that a very small percentage of animals sold, if any, would face this fate. It is my understanding that these sales have begun moving forward and the bulk of the animals have been sold to “white-hat” buyers looking to offer an alternative to the adoption program.

Could you update us on the sale program and illustrate how the Department has attempted to ensure the horses are sold into acceptable circumstances.

Answer. In carrying out sales, the BLM has focused its outreach efforts on horse advocacy groups, Tribes, humane organizations, and other groups and individuals that have shown a demonstrated interest in providing for the welfare of the animals. This approach is consistent with the 1971 Wild Free-Roaming Horses and Burros Act, which declared these animals to be living symbols of the Western spirit. The Bureau has been highly successful in finding good homes for the horses and burros it has been selling; the agency, however, temporarily suspended sales and deliveries on April 25 in response to two incidents involving the commercial processing of horses that had been re-sold or traded after being bought from the BLM.

The BLM has examined options for reinstating the sales program, while reducing the risk that recently purchased “excess” animals would be sold for commercial proc-

essing. BLM recognizes that any assurances for humane treatment and care must be obtained from purchasers prior to sale. After sale, animals are no longer afforded the protections of the Wild Free-Roaming Horses and Burros Act.

The BLM will strengthen the language in the Bill of Sale, as follows:

The Bill of Sale will be revised to create enforceable conditions. These additional provisions are intended to reduce both the potential and incentive for purchasers or subsequent owners to sell the animals for slaughter.

Specifically, a notice and citation to 18 U.S.C. Section 1001 will be added to the Bill of Sale. Section 1001 provides that it is a crime to make a false representation in any statement in any matter within the jurisdiction of a Federal agency. This provision will read as follows: "Purchaser may be subject to criminal penalties, if in this Bill of Sale he/she knowingly and willfully falsifies, conceals, or covers up a material fact; makes any materially false, fictitious, or fraudulent statement or representation; or otherwise violates 18 U.S.C. § 1001." This provision could support a prosecution of the purchaser if it could be proven that at the time of sale the purchaser intended to send the animals to slaughter or made other false statements.

The Bill of Sale will also be modified to include language that reads as follows: "Purchaser agrees to provide humane care to the listed wild horses(s) and/or burro(s)." This provision will replace the statement of intent in the existing Bill of Sale. This provision will be further strengthened by stating: "Purchaser agrees not to knowingly sell or transfer ownership of any listed wild horse(s) and/or burro(s) to any person or organization with an intention to resell, trade, or give away the animals(s) for processing into commercial products. Prior to selling or transferring ownership, Purchaser agrees to verify that the subsequent purchaser does not intend to make these horses or burros available for commercial processing."

BLM is committed to ensuring that wild horses sold will be placed into appropriate homes. Individuals wanting to purchase horses are screened using the following qualifications to help determine their suitability for providing a good home for the adopted horse.

Qualifications reviewed are:

- Status or affiliation with group or organization or buying as an individual.
- Number of animals requested.
- Number of acres available for these animals, including the type of forage and kind of facility.
- Individuals' experience with horses or livestock.
- Experience with wild horses, including knowing their behavior.
- Individual responsible for the care of the animals, buyer or another person.
- Ownership of the land where the animals will be kept.
- Financial ability to care for the animals.
- Intended use for the animals.
- BLM checks records for past compliance problems.
- Also, all buyers are asked to promise not to sell to anyone who would sell the animals to a commercial processing plant.

*Question.* What other reforms to the program is the Bureau examining?

*Answer.* BLM is assessing the current program to determine if reforms need to be made. BLM is also working with other partners to ensure proper treatment of wildhorses and exploring methods of better managing the horses. Included are the following:

- Assessment of the sale process to ensure BLM is in compliance with the direction of Congress to sell certain excess wild horses and burros.
- Enhancing exposure of the wild horse and burro adoption program through national, regional, and local advertising campaigns.
- Partnering with organization and groups to establish education opportunities about wild horse and burro habitat and the adoption program.
- Testing a pilot project at adoptions by offering individuals that have adopted one animal a "buddy" animal at a reduced fee.
- Closing one long-term holding contract.
- Continuing to work with the National Wild Horse and Burro Foundation to increase efficiency in the adoption program. Examples include the California Volunteer Pilot Project and looking at the overall marketing of the wild horse.
- Continuing to research and apply population level fertility control.
- Continuing to research on population census techniques.
- Exploring methods to increase adoption success by examining ways to gentle additional animals.

## BUREAU OF LAND MANAGEMENT—SOUTHERN NEVADA PUBLIC LAND MANAGEMENT ACT

*Question.* The Administration's proposal to take 70 percent of the proceeds from Southern Nevada Land sales is raising some eyebrows in this subcommittee, and my colleagues from Nevada have been fairly open with their opinions of the idea.

Could you explain the Administration's rationale for reallocating 70 percent of the funding from this program to the general treasury, as opposed to continuing to implement the program as currently enacted in law?

*Answer.* The receipts generated from SNPLMA land sales have far exceeded what was anticipated when SNPLMA was enacted. As a result, the available funding has outpaced land acquisition needs, and many more projects than originally anticipated are being formulated without the accountability of further consideration by the Congress. The Administration's 2006 Program Assessment Rating Tool review of BLM's implementation of SNPLMA determined that these funds are increasingly being dedicated to local projects rather than Federal priorities only.

The budget proposal would not change the amount of revenue currently provided to the State of Nevada General Education Program or to the Southern Nevada Water Authority, only the portion dedicated to Federal spending in Nevada. The sale revenues deposited in the special SNPLMA account, and thus available for Federal projects in Nevada, would be reduced from 85 percent to 15 percent. This proposal serves the general taxpaying public while still providing about four times the level of spending in Nevada as originally anticipated in 1998. With projected 2006 collections of \$917 million approximately \$292 million will be spent in Nevada, including \$160 million for Federal projects and \$132 million for State share. The remainder would be deposited in the General Fund of the Treasury to assist with deficit reduction and to ensure that Federal taxpayers benefit from the sale of these Federal assets.

*Question.* In your deliberations on this issue, did you consider retaining a portion of these revenues for beneficial purposes beyond Nevada's borders, as opposed to simply shipping it to the Treasury?

*Answer.* The Department of the Interior budget is but one piece of a much larger consolidated Federal Budget, in which anticipated revenues offset proposed spending. As such, the SNPLMA land sale receipts that will now be deposited in the General Fund of the Treasury do support the programs and projects of a multitude of Federal departments and agencies that will provide benefits both within and beyond Nevada, even though the nexus between these programs and the SNPLMA revenues is not readily transparent in the President's Budget documents.

## BUREAU OF LAND MANAGEMENT—SAGE BRUSH/SAGE GRASS INITIATIVE

*Question.* In your fiscal year 2006 budget request, you once again ask for a large increase in the BLM, in this case \$3.6 million, for sage brush and sage grouse activities.

Could you outline how the sage brush initiative is being implemented, and the success the Department has had, or expects to see in spending these sums of money?

*Answer.* During 2006, the BLM will continue to focus on implementing actions outlined in both National and State-level BLM Sage-grouse Habitat Conservation Strategies. These strategies were developed in close cooperation with State-led sage-grouse conservation planning efforts and are designed to complement these conservation plans.

The BLM is requesting additional funding for implementation of BLM's National Sage-grouse Habitat Conservation Strategy, which has been developed and is being implemented in cooperation with State-led sage-grouse conservation plans.

The National Sage-grouse Strategy is the framework to address the conservation of sage-grouse and risk to sagebrush habitats on lands and activities administered by the BLM. The document identifies the resources and specific actions to be included in individual BLM State Office strategies and/or plans and outlines methods to address the risk to sage-grouse and sagebrush habitats at various scales. The Strategy provides for a comprehensive national approach, while providing for local solutions to address the range-wide variability and complexity of managing sage-grouse and sagebrush habitat. BLM's National Sage-grouse Strategy is designed to deliver a substantial Federal contribution to cooperative conservation efforts that are being led by state wildlife agencies throughout the range of greater sage-grouse in the West.

BLM designed this National Sage-grouse Strategy around four main goals. Included with these four main goal areas are a series of specific strategies and actions that will support implementation of each goal. Each action identifies responsible offices and time-frames for completion. The four goals are:

(1) Improve the effectiveness of the management framework for addressing conservation needs of sage-grouse on lands administered by the BLM.

(2) Increase understanding of resource conditions in order to prioritize habitat maintenance and restoration.

(3) Expand partnerships, available research and information that support effective management of sage-grouse habitat.

(4) Ensure leadership and resources are adequate to continue ongoing conservation efforts and implement national and state-level sage-grouse habitat conservation strategies and/or plans.

In 2006, the additional funding will be used to accelerate habitat inventory for sage-grouse and other sagebrush dependent species such as pygmy rabbits, another species of conservation concern in the sagebrush biome. To help identify and prioritize restoration needs, BLM plans on expanding inventories for noxious weeds, treating additional noxious weeds, completing additional vegetation treatments to benefit sage-grouse habitat quality, reduce degradation from expanding juniper woodlands into sage-grouse habitat, and increasing the acres of habitat monitored by approximately two million acres.

*Question.* Do you feel the Department is making headway in saving habitat and this will result in preventing an endangered species listing?

*Answer.* BLM's commitment to conserving sage-grouse and sagebrush habitat predates petitions to list the grouse, and accomplishing this through partnerships would be our approach regardless of the listing decision. The announcement in January by the Fish & Wildlife Service that the greater sage-grouse does not warrant listing under the Endangered Species Act specifically mentions the crucial role of cooperative efforts and local working groups. In commending cooperative efforts to maintain and improve sagebrush habitat, the FWS noted the importance of continuing to develop and implement conservation plans and strategies across the sage-grouse's range. The decision not to list the sage-grouse was never seen as the end to cooperation but seen as a new beginning.

By identifying resources, management actions, and methods for assessing various risks to sage-grouse and sagebrush habitats, the Strategy brings together sound science, the BLM's three decades of experience in sagebrush management, and the successes we've already achieved with our partners. Through continued cooperation during the coming year and beyond, BLM hopes ensure conservation and recovery of sagebrush ecosystems resulting in healthy and productive landscapes across the West.

Between 2000 and 2004 BLM treated almost 1 million acres of sagebrush to the benefit of sage-grouse. Surveys and monitoring are completed in coordination with State agencies and other partners to understand the health and trends of sage-grouse populations and habitat. BLM continues to work on regional-scale analyses throughout the range of sage-grouse.

*Question.* Can you assure us that your outreach to states, communities and affected parties remains a top priority?

*Answer.* BLM believes that the best solution for conserving sage-grouse is to continue cooperative efforts among Federal, state and local partners to preserve sagebrush habitat.

Throughout the process of developing the National Strategy for Sage-Grouse Habitat Conservation, BLM felt that the key to success was not prescriptive policies or top-down edicts—but rather, partnerships at the local level, where there is on-the-ground, up-to-the-minute knowledge, as well as a remarkable commitment to restoring and conserving sage-grouse.

Cooperation with local partners is the platform for applying science, experience, and commitment to making a difference for sage-grouse and their habitat.

The BLM is committed to this approach of working with partners at all levels to restore and conserve sagebrush habitats on the public lands and sees a no more effective way to bring about the sustained, broad-scale, multi-state, multi-jurisdictional action that is required to ensure habitat and species conservation now and long into the future.

#### BUREAU OF LAND MANAGEMENT—RANGE IMPROVEMENT FUND

*Question.* I noticed with concern the Administration's request to eliminate the Range Improvements Fund. As you know, this funding source is used for grassland management, riparian area repair and preventative maintenance and noxious weed control. The budget proposes shoe horning the \$10 million in activity into already tight budget categories.

In light of the Department's claims of addressing ongoing range degradation issues, and its call to spend additional money on range habitat for endangered spe-



cies, could you explain the rationale behind eliminating the Range Improvement Fund?

Answer. Part of the Administration's strategy for reducing the Federal deficit is to rein in mandatory spending, such as the Range Improvement Fund, and where possible and merited, to continue to perform this work with discretionary funding that can be adjusted from year to year based on changing needs and priorities.

*Question.* Can you assure the subcommittee there would be no reduction in work performed if the account was eliminated?

Answer. The BLM will continue to fund these range improvement projects in 2006, but will do so through its Deferred Maintenance program and Cooperative Conservation Initiative programs in the Management of Land and Resources account. Specifically, the budget estimates that \$7 million in base Deferred Maintenance program funding and \$3 million of the \$6 million increase requested for CCI will be targeted to high priority range improvement projects.

Other aspects of the 2006 BLM budget request also emphasize the importance of rangeland health and productivity. For the second year in a row, BLM is proposing a significant increase in funding to support an aggressive plan of sagebrush conservation and restoration. The 2006 budget includes an increase of \$7 million, which builds on a \$2.7 million increase provided in 2005. Of the requested \$7 million increase, \$3.4 million will be matched by partner contributions under the Challenge Cost Share program. Maintaining and improving the health of the sagebrush habitat to ensure viable sage-grouse populations are critical to the continued multiple use management of these lands, including grazing.

Invasive weeds also damage the health and productivity of rangelands. The 2006 BLM budget includes increases of at least \$1.3 million to address weed management on BLM-administered lands. Of this \$1.3 million, \$1 million is in the Challenge Cost Share program, and will therefore be leveraged with non-Interior funds to treat additional acres.

#### BUREAU OF LAND MANAGEMENT—RURAL FIRE ASSISTANCE

*Question.* I must express my displeasure that the Department has proposed eliminating the Rural Fire Assistance program administered by the BLM. The budget justifies this cut by arguing that the Forest Service and FEMA have similar programs. I must point out that the Forest Service account for State and Local fire assistance was cut by \$22 million, and the FEMA assistance to fire fighter's grant fund was cut \$100 million from the enacted level.

Can you explain the rationale for eliminating this program in light of what appears to have the making of another horrific fire year?

Answer. The Department of Interior reviews its programs to ensure they are meeting stated goals and objectives, and carefully evaluates results to determine whether the program addresses the stated goals. A recent national study by the National Association of State Foresters found that the almost 14,000 fire departments surveyed were almost as likely to rank basic wildland firefighting training as high in priority as basic structural firefighting. Recognizing the importance of training to departments that support DOI fire suppression activities, the 2006 budget proposal shifts emphasis from providing funds to local fire departments for equipment and basic training to developing and delivering training to RFDs to strengthen initial attack and develop the extended attack capabilities of RFDs. Under the 2006 ready reserve budget proposal, which is funded with a \$1.9 million increase in Preparedness, DOI will train 1,000–2,000 firefighters each year and equip them with personal protective equipment. This ready reserve will enhance long-term recruitment of RFDs, supplement the volunteer roster, and reduce risk to local communities by creating a resident, highly-trained wildland fire workforce. Communities will benefit by having skilled cadres of local firefighters available to reduce the loss of property and natural resources. More wildland fires will be contained at a smaller size, reducing the reliance on costly Federal and contract firefighters, thereby supporting fire suppression cost containment.

The Department recognizes the risk of catastrophic fire to communities, particularly with record mountain snowpack lows in much of the West. The 2006 budget continues to emphasize the importance of hazardous fuels reduction with a \$9.8 million increase over the 2005 enacted level.

*Question.* Can you explain the interaction the Department has had with FEMA and the Forest Service to ensure that the reductions in these programs will not hurt our preparedness for wildland fire place local firefighters at risk?

Answer. The Department is currently in discussions with FEMA, the Forest Service and the National Association of State Foresters to rewrite an existing MOU to focus on providing information to FEMA on wildland firefighting needs and prior-

ities, formalize DOI participation in peer review of FEMA awards, enhance website collaboration, and cooperate more closely conducting grant workshops. The various FEMA grant programs offer flexibility to meet both structural and wildland fire service needs. Through this collaboration, we expect small departments previously served by the RFA program to successfully compete for various FEMA grants. In addition, DOI is conducting grant-writing sessions to further enhance small RFDs' chances of success.

The Department recognizes the constraints on the various Federal grant programs and appreciates the level of collaboration offered by our colleagues at FEMA. We look forward to both finalizing the MOU and increasing the portion of fire grants going to wildland firefighting in the future.

*Question.* Finally, can you outline for us the overlap in these programs and illustrate that ongoing needs will be met, and these local entities will receive training and equipment specific to wildland fire needs?

*Answer.* The RFA program is administered by all the DOI Wildland Fire Management bureaus and targets small communities with populations less than 10,000 near DOI-managed lands. Funds are used for the purchase of wildland fire equipment and tools, communication devices, wildland fire training, and community prevention and education activities. Grants must be matched with a 10 percent cash or in-kind contribution. The program supports RFDs that protect not only communities but also natural resources on DOI-managed lands.

The Forest Service Volunteer Fire Assistance (VFA) program also targets small communities with populations less than 10,000. Funds may be used for the purchase of equipment, training programs, and assistance in organizing fire departments, and must be matched dollar-for-dollar. The program also supports protection of communities and resources from catastrophic wildland fire.

The Forest Service State Fire Assistance (SFA) program benefits virtually all aspects of State Foresters' fire programs, from community wildfire planning and fire prevention to suppression and hazardous fuels treatments. State resources established and maintained with these funds are important resources that can be shared between States and with Federal land management agencies. Emphasis is currently on fire response planning and training in wildland fire suppression tactics and the Incident Command System used nationally for all emergency response actions, and will shift to a greater emphasis on community-based wildland fire mitigation. Funds must be matched dollar-for-dollar.

The DHS-FEMA Office of State and Local Government Coordination and Preparedness (SLGCP) operates a one-stop shop for homeland security funding, which includes the Assistance to Firefighters Grant program (AFG) as well as other grant programs targeted to prepare the nation for acts of terrorism. The primary goal of AFG is to provide assistance to meet fire departments' and nonaffiliated EMS organizations' firefighting and emergency response needs. The program seeks to support organizations that lack the tools and resources necessary to protect the health and safety of the public and their emergency response personnel with respect to fire and all other hazards they face. Grants may be used for training, equipment, PPE, wellness and fitness, modifications to facilities, or acquiring firefighting vehicles and apparatus. Grants are matched on a sliding scale: 5 percent for populations served that are fewer than 20,000, 10 percent for populations between 20,000 and 50,000, and 20 percent for populations over 50,000.

Departments that traditionally applied for RFA grants are eligible to apply for grants from both the Forest Service and FEMA. The grants may be used for the purchase of wildland fire training and PPE. DOI is conducting grant-writing sessions to further enhance RFDs' chances of success, as well as providing information about the other programs they may be eligible for. Finally, the 2006 budget recognizes the importance of our RFD partners with the \$1.9 million ready reserve proposal that would offer both wildland firefighter training and personal protective equipment to 1,000–2,000 firefighters each year.

#### BUREAU OF LAND MANAGEMENT—CONSTRUCTION

*Question.* I notice that once again the administration has proposed reducing funding for BLM construction. We had increased the program to \$11.5 million in last year's act, however, the proposal before us suggests \$6.5 million meets the needs of the Bureau's 261 million acres. By my calculation, that is less than two and a half cents per acre for construction needs.

Can you honestly testify before us that BLM's total construction need for 261 million acres is a total of \$6.5 million?

*Answer.* The BLM supports the President's budget and notes that the amount requested will continue to reduce the backlog of construction projects in the Five Year

Plan. The funds will be used to construct those projects that are ranked the most critical for BLM's needs.

*Question.* Can you provide a breakdown for the Committee of the construction accounts of all the Department's bureaus and agencies and compare the request level with the number of acres the agency oversees?

Answer. The information follows:

[Dollars and acres in millions]

Agency	2006 requested construction funding	No. of acres administered
BLM .....	\$6.5	262.0
FWS .....	19.7	96.0
NPS .....	324.3	88.0
BIA .....	232.1	<sup>1</sup> 56.0
BOR .....	337.2	8.4

<sup>1</sup> Trust lands.

It should be noted that no direct correlation exists between construction needs and the number of acres administered by the Bureaus. Construction needs encompass a wide range of projects to protect, enhance, and manage Interior's resources, such as, irrigation facilities, visitor centers, recreation facilities and trails, and BIA schools, to name just a few.

#### BUREAU OF INDIAN AFFAIRS—BUDGET REORGANIZATION

*Question.* Recently the BIA has proposed restructuring its budget structure to match program components that have been found in multiple areas. I have heard from tribes that are concerned that the new structure makes it harder to account for Tribal Priority Allocations (TPA) and that it appears the line between regional offices and the headquarters office will blurred even further.

Can you assure us that you will fully consult with the tribes prior to implementing any element of the new budget structure?

Answer. The BIA has consulted with tribes regarding the Bureau's proposed restructured budget during regular meetings of the BIA/Tribal Budget Advisory Council. This consultation is expected to continue.

*Question.* Can you report back to the subcommittee on the progress of these consultation sessions?

Answer. The Tribes recognize that the restructured budget simplifies the justification of BIA programs and clearly ties programs to the Strategic Plan and performance measures.

#### BUREAU OF INDIAN AFFAIRS—GAO AUDIT OF BIA IRRIGATION

*Question.* In November I requested GAO work with the BIA Irrigation program to examine ongoing management concerns, specifically related to repair and maintenance schedules. Unfortunately, most of our Indian irrigation infrastructure is in serious disrepair. This is a top priority for Montana.

Can you assure us that the Department will work in good faith with the GAO to ensure all information necessary to complete this audit is provided as quickly as possible?

Answer. The BIA central office, regional offices and agency irrigation project staff are providing GAO any information it requests in a prompt manner. GAO has visited the Rocky Mountain Region (Billings, MT) and the Crow Irrigation Project (Crow Agency, MT) as part of GAO's design phase. A sample of the documents BIA has submitted to GAO include irrigation deferred maintenance cost estimates, general irrigation project information and statistics, listings of BIA personnel involved in irrigation projects, and water users names.

*Question.* Has the Department implemented any internal reforms to address the ongoing communication problems between headquarters and the regional irrigation offices?

Answer. The BIA Central office personnel have made concerted efforts to work closer with the regions and project offices. The BIA central office is also sharing information, providing training on annual budget preparation and annual deferred maintenance, and developing project operating instructions.

BUREAU OF INDIAN AFFAIRS—TRIBALLY CONTROLLED COMMUNITY COLLEGES AND  
OTHER EDUCATIONAL FACILITIES

*Question.* I have continually voiced my strong support for the Tribally Controlled Community Colleges, and I continue to believe they have been a resounding success in helping our native communities. Despite the headway we have made in prior years, your request reduces funding for TCCCs by almost \$10 million. Additionally, your budget request slashes Johnson O'Malley grants which provide assistance to public schools with Indian students, and you cut Education Construction by almost \$90 million.

With well over \$100 million in cuts to Indian Education programs, can you explain the Administration's commitment to helping Native American children receive the training and tools to better their communities?

*Answer.* One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood. The 2006 BIA education budget represents a continued commitment to the future of American Indian youth and supports the President's commitment to "leave no child behind." The \$521.6 million request for elementary and secondary school operations will support 184 schools and dormitories serving over 47,000 Indian children. The \$232 million request for school education construction will continue to replace, repair and maintain schools in the BIA system to provide Indian students a safe and nurturing place to learn. The \$43 million request for Tribal Colleges and Universities operating grants will provide \$3,500 per Indian student. When BIA funding is combined with grant funding from the Department of Education, TCUs will receive over 40 percent more in revenue from those two Federal sources than an average community college receives per student from all sources. BIA funding also provides scholarship funding for Indian students to attend Indian or non-Indian schools. The total BIA education request of almost \$800 million is geared toward improving student performance and furthering the education of Indian children to enrich their lives and the future of their communities.

*Question.* Tribal colleges have shown time and time again their value in educating tribal community leaders and providing students the ability to expand their economic options. Do you believe these programs are a waste of money?

*Answer.* The education provided by tribal colleges and universities is important in multiple ways. Curriculum is designed to meet the needs of the local economies, respect the culture and mores of the sponsoring Tribe, and provide students ways to maximize their potential and fulfill educational dreams. TCUs serve Tribal members in remote areas, offer educational opportunities to the community at large and open students to the larger realm of education.

*Question.* Why do Indian Education accounts take the bulk of the cuts in the Department of the Interior's request before Congress?

*Answer.* The 2006 BIA budget requests almost \$800 million for education programs for pre-kindergarten through college. Funding reflects the capability of Education programs to effectively and efficiently use resources to meet the goal of leaving no child left behind.

During the President's first term, over \$1.1 billion was invested in Indian School construction. This funded 27 replacement school projects and 28 major facilities improvement and repair projects. We are comfortable with this year's education construction program level because there are currently 25 replacement schools in the planning and design process or under construction. Eleven of these schools will be completed in 2005 and 2006. Funding at higher levels than requested for 2006 would exceed our ability to prudently manage the construction program.

The President's budget eliminates \$5.2 million in the BIA budget for UTTC and CIT. However, the President requests \$7.5 million funding in the Department of Education budget under the Tribally Controlled Postsecondary Vocational and Technical Institutions Grant program. The UTTC and CIT are the only institutions eligible for grants under this program. The Department also worked with the Department of Labor to ensure that tribal colleges benefit from the new community college assistance program. We are also looking for opportunities where UTTC and CIT may have a role in training BIA and OST employees.

The President's budget reduces funding for Johnson O'Malley grants because it is duplicative of funding available to public schools in the Department of Education budget. The Dept. of Education budget includes over \$150 million in funding specifically targeted to Indian students attending public schools. Public schools with Indian students also receive over \$500 million, or about 55 percent, of impact aid funding from the Dept. of Education.

## BUREAU OF INDIAN AFFAIRS—DETENTION CENTER FUNDING

*Question.* I applaud the ongoing efforts of the Departments of Justice and Interior to increase their funding of Native American justice facilities. In my own state the detention facilities are in terrible disrepair.

Your budget for Facilities Improvement and Repair includes the Blackfeet Detention Center as one of its 3 major projects for fiscal year 2006. I'm happy to see this, but must say the dedication to these types of facilities comes a bit late.

Can you outline the Department's plan of action to address the sad state of our detention facilities?

*Answer.* The BIA has developed a multi-level plan to address detention center issues in Indian Country. In an effort to improve oversight of detention centers, BIA has established the position of Associate Director of Corrections within the Office of Law Enforcement and Security, Supervisory Detention Specialists have been placed in each district, and a program analyst has been directed to monitor OLES funds. The 2006 BIA budget includes a \$16.7 million increase in funding to: (1) staff, operate, and maintain detention facilities built with Department of Justice funding which will be certified for occupancy in 2006, (2) outsource detention of inmates to local jurisdictions where BIA facilities do not comply with national standards, and (3) begin a comprehensive program to improve and repair detention facilities owned by the BIA.

*Question.* Can we expect to see a cohesive plan from the Department that addresses the need to rebuild or repair these facilities throughout the West, and specifically in my state of Montana?

*Answer.* The BIA has initiated a comprehensive plan to address the correction of deficiencies at all BIA owned or operated detention centers. The plan is being implemented under the Bureau's Public Safety and Justice Construction program.

The action plan has been implemented in collaboration with Regional and Agency facilities staff and Office of Law Enforcement Services personnel. In fiscal year 2005, BIA initiated a validation of conditions reported in Facilities Management Information System (FMIS) at all detention centers. Using the updated information, the Bureau prioritized detention center Facilities Improvement and Repair (FI&R) projects under Public Safety and Justice Construction program based on reported health and safety needs.

In fiscal year 2005, BIA FI&R projects at Havasupai Law Enforcement center (AZ) and Spokane Law Enforcement Center (WA) will address all life safety and building codes deficiencies to bring them in line with national detention center standards. BIA is currently evaluating the needs at Macy Law Enforcement Center (SD), Turtle Mountain Detention Center (ND), and Blackfeet Detention Center (MT) to determine the scope of projects necessary to bring these facilities up to national standards. Multiple smaller FI&R projects are currently underway at Bureau detention facilities to correct critical health and safety deficiencies. Projects include abating environmental hazards and remedying building code violations.

At the proposed 2006 funding level, BIA expects to address and correct all deficiencies at BIA owned or operated detention center facilities by 2010.

## BUREAU OF INDIAN AFFAIRS—INDIAN CLAIMS SETTLEMENT

*Question.* I notice the Claim Settlement account sees another fairly drastic reduction from the prior year level. It is my understanding that the amount requested fulfills the government's responsibility in fiscal year 2006.

Can you confirm the budget request level fully funds government's responsibility for claims in fiscal year 2006?

*Answer.* Yes, the fiscal year 2006 President's budget request for Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians account fulfills the Government's responsibility for fiscal year 2006.

## BUREAU OF INDIAN AFFAIRS—TRIBAL PRIORITY ALLOCATIONS

*Question.* Recently the Supreme Court ruled that tribes have not been fully reimbursed for contract support on self-determination contracts they have entered into with the Indian Health Service and Bureau of Indian Affairs.

Can you give us a short synopsis of the Supreme Court Decision and how it impacts the Department of the Interior?

*Answer.* Because the Supreme Court emphasized that Indian Self-Determination and Education Assistance Act agreements are, in affect, procurement contracts, the Leavitt case has the potential to significantly impact the manner in which the DOI articulates its obligation to pay contract support costs in such agreements. The De-

partment is still assessing what specific changes may be required in BIA contract administration as a result of this case.

*Question.* How will past shortfalls be accounted for?

*Answer.* The Department has not yet arrived at an opinion of how the decision will retroactively impact contract support cost obligations. The issue is currently under consideration. The Department will keep the committee informed on any developments on this matter.

*Question.* What does the Court Decision mean for fiscal year 2006? Will the Department be sending up an budget amendment to cover their obligation for fiscal years 2005 and 2006?

*Answer.* The issue is currently under consideration. As yet, the Administration is not proposing an amendment. The Department will keep the committee informed on any developments on this matter.

#### OFFICE OF THE SPECIAL TRUSTEE—HISTORICAL ACCOUNTING AND COBELL LITIGATION

*Question.* It is my understanding that the bulk of the \$76 million increase in the Office of the Special Trustee is for additional Historical Trust Accounting activities. Can you confirm that the entire increase is for Historical accounting activity, and can you update us on the progress of this exercise as it relates to the *Cobell* litigation?

*Answer.* The OST budget for 2006 includes \$135 million for historical accounting, an increase of \$77.8 million over 2005. The 2006 budget of \$135 million for the Office of Historical Trust Accounting provides an estimated \$95 million for IIM accounting, an increase of \$50 million above the 2005 level, and \$40 million for tribal accounting, an increase of \$27.8 million above the 2005 level.

The Department is currently involved in a major class action lawsuit, *Cobell v. Norton*, and 24 lawsuits associated with the management of Indian trust funds.

The following is a summary of the progress made in historical accounting for individual accounts:

Through December 31, 2004, the Office of Historical Trust Accounting had reconciled more than 36,700 judgment accounts with balances totaling more than \$53 million and reconciled 7,360 per capita accounts with balances of over \$21.7 million. OHTA also has resolved residual balances in 8,496 special deposit accounts, identifying the proper ownership of \$40.8 million belonging to individual Indians, Tribes, and private entities. OHTA has also reconciled over 5,600 transactions from land-based IIM accounts representing over \$348 million moving through IIM accounts. In addition, OHTA has mailed over 9,500 historical statements of judgment and per capita accounts to individual Indian account holders and former account holders.

#### Summary Data on Accounting Results To Date

##### High Dollar Transactions—\$100,000 or More:

- Ninety-three percent (or 865) of all 930 high dollar debit transactions of \$100,000 or more were reconciled.
- Eight differences were found in the 865 reconciled high dollar debit transactions. These differences all arose in the settlement of three probates. Three of these eight differences were to the disadvantage of the IIM accountholder, totaling \$1,807, and five were to the advantage of the IIM accountholder, totaling \$1,908.
- Fifty-eight percent (536) of all 919 high dollar credit transactions of \$100,000 or more were reconciled.
- Twenty-seven differences were found in the 536 reconciled credit transactions, of which twenty were to the benefit of the IIM accountholder (overpayments), totaling \$21,468, and seven were to the disadvantage of the IIM accountholder (underpayments), totaling \$2,071.

##### Transactions Less than \$100,000:

- Ninety-two percent (1,887) of all 2,044 randomly sampled debit transactions were reconciled. No differences between the posted amount and the supporting documentation were found in the reconciled transactions. While more needs to be done here, a statistical inference can be made by using additional assumptions.
- If only sampling error is considered, these results make it possible to infer with more than 99 percent assurance that the difference rate is less than 0.5 percent for all 5.23 million debit transactions under \$100,000.
- Fifty-nine percent (1,418) of all 2,401 randomly sampled, in-scope credit transactions of less than \$100,000 were reconciled. Eleven differences were found, of which seven were overpayments totaling \$18 and four were underpayments totaling \$505. While well along, no statistical inferences can yet be drawn at this time about the population of all 19.68 million.

The percentage of dollars in error compared to dollars reconciled is less than eight-thousandths of one percent (0.007 percent).

*Question.* For the past two years, we have included bill language that allows Self Governance tribes the ability to perform a number of trust duties.

Can you update us on the implementation of the self determination demonstration as a model for tribal participation in trust management?

Answer. Pursuant to the authorities provided in the Indian Self Determination and Education Assistance Act (Public Law 93-638, as amended) all tribes have been authorized to perform trust functions on behalf of the United States Government since passage of the Act in 1975. The demonstration project did not provide any additional authorities for the demonstration tribes to perform any other trust duties than they were already authorized to perform.

Sec. 131 of the General provisions of the Interior and Related Agencies title of the Consolidated Appropriations Act of 2005 provides the assurance that funds appropriated for fiscal years 2004 and 2005 shall be available to the tribes within the California Tribal Trust Reform Consortium, and to the Salt River Pima Maricopa Indian Community, the Confederated Salish-Kootenai Tribes of the Flathead Reservation and the Chippewa Cree Tribe of the Rocky Boys Reservation on the same basis as funds were distributed in prior years. Furthermore, it allows these tribes to operate their programs separate and apart from the Department of the Interior's trust reform reorganization, and ensures that the Department will not impose its trust management infrastructure upon or alter the existing trust resource management systems of the above referenced tribes.

The bill language has also required that the participating tribes agree to carry out their responsibilities under the same standards as those to which the Secretary of the Interior is held and further, that they demonstrate to the satisfaction of the Secretary that they have the capability to do so.

In order to ensure that the demonstration tribes had the capability to perform in accordance with these standards, examinations of their trust programs were conducted. With only one exception, the participating tribes demonstrated that they were capable of performing the trust functions compacted under the same standards as those to which the Secretary is held. The one tribe deemed not capable has since prepared a corrective action plan that is successfully addressing the weaknesses identified. Communication with the participating tribes is ongoing and follow-up to last year's examinations is currently being done.

The Department understands that the original intent of this language was to protect the participating tribes from any adverse impact, budgetary or otherwise, that was perceived might occur as a result of the implementation of the Department's trust reform initiatives. Many of these reforms have already been put in place with no negative impact on any of the tribes including those participating in the demonstration program. Furthermore, none is expected.

*Question.* The *Cobell* litigation continues to concern the Subcommittee as we grapple with providing funds for basic Indian Affairs services.

Can you update us on the latest progress in the *Cobell* case?

Answer. In June 1996, the Department was named, as defendant in the *Cobell v. Babbitt*, now *Cobell v. Norton* litigation. This is a class action lawsuit for an accounting of funds held in trust by the Federal Government for individual Indians in Individual Monies Accounts. The district court in *Cobell* certified the class as consisting of all present and former beneficiaries in the IIM accounts.

On December 10, 2004, the Court of Appeals addressed the district court's September 25, 2003 order. The ruling addressed the two main categories of the district court's decree: "Historical Accounting" and "Fixing the System." The Court found that Historical Accounting was governed by Public Law 108-108 and thus vacated the district court's order with respect to that portion of the case. In so finding:

—The Court pointed out that Congress passed Public Law 108-108 "to clarify Congress's determination that Interior should not be obliged to perform the kind of historical accounting the district court required."

—The Court stated "The committee 'reject[ed] the notion that in passing the American Indian Trust Management Act of 1994 Congress had any intention of ordering an accounting on the scale of that which has been ordered by the Court. Such an expansive and expensive undertaking would certainly have been judged to be a poor use of Federal and trust resources.'"

The Court rejected the plaintiffs' argument that Public Law 108-108 amounted to a legislative stay of a final judicial judgment and thus violated the separation of powers doctrine. The Court found a critical distinction between statutes that reverse final judgments for money damages and statutes that alter substantive obligations of parties subject to ongoing duties under an injunction.

Plaintiffs also argued Public Law 108-108 violated the due process and takings clauses of the Fifth Amendment. The Court rejected this argument, noting that plaintiffs did not explicitly identify the property right being taken other than to reference the right to interest earned on trust accounts. The Court also pointed out that "Congress may provide a simpler scheme than the district court's, while nonetheless assuring that each individual receives his due or more."

While the second part of the Court's decision focuses on "Fixing the System," elements of it are important to decisions relating to historical accounting. The Court confirmed an earlier district court observation that the establishment of a trust relationship does not mean that plaintiffs can automatically "invoke all the rights that a common law trust entails." The Court reasserted that the government's duties must be "rooted in and outlined by the relevant statutes and treaties . . ."

The Court also focused on the government's argument that normally private trust expenses are met out of the trust itself, pointing out "[T]hus plaintiffs here are free of private beneficiaries' incentive not to urge judicial compulsion of wasteful expenditures."

In short, the Court's decision invites a discussion within both the Executive Branch and the Congress as to what is an appropriate historical accounting.

On February 23, 2005 the *Cobell* court issued an order reinstating the structural injunction previously issued on September 23, 2003, directing the Department to conduct a far more expansive accounting and requiring that it be completed under even more constrained time lines. The current order requires extensive work beyond what is currently budgeted in 2005 or proposed in 2006 to be completed by January 6, 2006. In addition to the planned completion of accounting for all judgment and per capita accounts, the court order directs that indexing of all trust-related records located at Federal facilities in Albuquerque, New Mexico, and Lee's Summit, Missouri, the systems tests related to electronic data gaps, and the systems conversion from the Integrated Records Management System (IRMS) to the Trust Funds Accounting System.

The Department's fiscal year 2005 and fiscal year 2006 budget for historical accounting is based on continuing efforts as outlined in the January 6, 2003 Historical Accounting Plan. However, as a result of the district court reissuing the structural injunction on historical accounting on February 23, 2005 the Department is continuing discussions with the Department of Justice on the course of action available. The preliminary estimate developed by the Department is that it will cost between \$12 and \$13 billion to comply with the court order. The Department's budgets for 2005 and 2006 are not constructed to address these requirements.

On March 9, 2005 the Department of Justice filed an Emergency Motion For Stay Pending Appeal of the structural injunction issued by the district court on historical accounting with the Court of Appeals. The Court of Appeals granted the Stay Pending Appeal on April 7, 2005.

*Question.* I see that Judge Lamberth's recent decision re-imposes his structural injunction in the *Cobell* case.

What would be the impact on the Department, and particularly its Indian programs, if the injunction remains in place given the limitations of the current fiscal environment?

*Answer.* As noted above, the Department's fiscal year 2005 and fiscal year 2006 budget for historical accounting is based on continuing efforts as outlined in the January 6, 2003 Historical Accounting Plan. The preliminary estimate developed by the Department is that it will cost between \$12 and \$13 billion to comply with the court order structural injunction. The Department's budgets for 2005 and 2006 are not constructed to address these requirements.

If the Court of Appeals does not grant an appeal of the district court structural injunction, the Administration and the Congress will be forced to address how to comply with the district court order, which would have a severe impacts on the Federal budget.

As this Committee noted in enacting Public Law 108-108, Congress observed that the reallocation of resources required by the initial 2003 injunction "would be devastating to Indian country and to the other programs in the Interior bill." As the committee report explained, the expenditure of billions of dollars on an accounting "would not provide a single dollar to the plaintiffs, and would without question displace funds available for education, health care and other services." H.R. Conf. Rep. 108-330, page 117.

*Question.* What has been the nature of your discussions with the authorizing committees with regard to a long-term solution to the trust reform problem?

*Answer.* Staff from both the Senate and House authorizing committees participated in the discussions held last year with the plaintiffs in the *Cobell* litigation. The Administrations position throughout these discussions has always been that



any settlement must be fair and equitable to both the beneficiaries and the taxpayers. Any long-term trust reform effort must include a method to fully address fractionation of individual Indian lands.

*Question.* Am I wrong to assume the mediation process started last year is faltering and will probably not result in the resolution of this case?

Answer. Through the efforts of the authorizing committees, the plaintiffs and the Department participated in a mediation of the Cobell case last year. The mediators, selected by the parties, conducted numerous meetings, both jointly and separately with the parties. However, to date, no material progress can be reported by the Department. The Committee is encouraged to contact the mediators directly for a constructive discussion of the mediation process and results.

The Department is committed to a resolution of this litigation that is both fair to all parties and is based on a supported basis for a settlement. Despite the efforts of this Administration and the previous Administration, mediation, and Congressional interests, the Department believes that only Congress can resolve this litigation, either through a legislative settlement or by clearly defining what is intended when it required an accounting of trust funds in the 1994 Trust Reform Act.

#### LANDOWNER INCENTIVE PROGRAM

*Question.* According to the fiscal year 2006 budget justification, the Fish and Wildlife Service has yet to develop performance measures for the Landowner Incentive Program.

What have been the major obstacles to establishing these measures?

Answer. The Service expects to have quantifiable, meaningful baseline performance measures completed by the end of this fiscal year. In establishing these goals, the Service is working through several obstacles including determining achievable accomplishments in coordination with our State grant recipients, and a lack of standardized data and monitoring protocols.

*Question.* When will these measures be fully implemented?

Answer. The Service will have established baseline performance measures by the end of this fiscal year and will strive to get them incorporated into future budget justification documents. This timeframe allows our grant recipients to have implemented and reported on their grant accomplishments for 2–3 fiscal years, which will improve the accuracy of the data and allow us to validate our performance measures. The planned performance measures will be in effect for our fiscal year 2007 budget process.

*Question.* Given the lack of adequate performance measures and tight budget constraints, does it make sense to propose such a large increase for this program (\$16 million)?

Answer. Yes. The Service has strict grant selection criteria and reporting requirements that ensure all grant projects are of high quality and benefit many species in need of conservation. As a relatively new program, many States have recently set up the infrastructure and developed the critical partnerships with private landowners that are needed to achieve the program's goals. By increasing funding, the program will be able to carry out its mission in more States than currently possible and have in place a strong program that will build on its previous successes.

#### FISH AND WILDLIFE SERVICE CONSTRUCTION

*Question.* The fiscal year 2006 request proposes to reduce the construction account by \$33 million. There are no plans to construct any of the high priority visitor centers or to complete visitor centers that are currently in the design and/or construction phase.

What are the agency's long term plans for meeting visitation needs on the refuge system?

Answer. The National Wildlife Refuge System Improvement Act states that compatible wildlife dependent recreation uses (hunting, fishing, wildlife observation, photography, interpretation, and environmental education) are the priority general public uses of the System through which the American public can develop an appreciation for fish and wildlife. In order to meet growing visitor demands, the Service has initiated its visitor facility enhancements program. In contrast to large-scale projects such as visitor centers, the new program focuses on construction of small-scale visitor facilities such as kiosks, boat ramps, photo blinds, and fishing piers that allow Americans to experience wildlife up close. We believe this program is better suited to meet the future interests of our visitors.

*Question.* What methods (such as the use of standardized nationwide designs) has the agency explored to reduce the cost of facilities?

**Answer.** In 2002, the Service's Division of Engineering produced a comprehensive document titled, "Site Adaptable Facility Designs—A Planning Guide for New Projects." This manual provides standard design guidelines for 5 categories of facilities: office buildings, maintenance buildings, housing, storage buildings, and comfort stations. This is evidence that the Service is very much committed to using standard designs—where it is proven to be cost effective. In addition, Region 5 recently completed standardized designs for a small, medium and large visitor center and plans to use them consistently throughout that region. The National Wildlife Refuge System program office and regional offices are currently evaluating these designs to determine whether they are appropriate for use elsewhere in the Service.

**Question.** Has the agency considered greater use of outside engineering firms to lower the cost of designing and constructing needed facilities?

**Answer.** In fiscal year 2004, the Service outsourced approximately \$17 million of engineering work to Architectural/Engineering contractors, or 61 percent of the total planning, design, and construction management obligations associated with 503 projects. While we continue to look for other ways to engage contractors, the Service has found that this level of contract work with outside engineering firms seems to be very efficient. In fact, the Service believes that greater use of outside engineering firms would increase the cost of completing smaller deferred maintenance and rehabilitation projects—of which there were 360 such projects in fiscal year 2004, because smaller deferred maintenance projects are not cost effective to bid, and A/E firms are not typically interested in small projects that are geographically dispersed throughout the nation. However, the Service plans on conducting a comprehensive competitive outsourcing study of all engineering-related professional disciplines in fiscal year 2006 in order to make sure that all possible efficiencies are being utilized.

#### FISH AND WILDLIFE MIGRATORY BIRD PROGRAM

**Question.** The fiscal year 2006 request proposes an increase for existing joint ventures in addition to funds for six new joint ventures. Given tight budget constraints, the Committee may not be able to provide all of these requested funds.

Is it a greater priority to provide additional funds for the current joint ventures, or is it more important to start up the new ventures?

**Answer.** Due to rescissions and fixed cost increases, current joint ventures received slightly less funding in fiscal year 2005 than in fiscal year 2004. Therefore, it is a top priority for the existing joint ventures to receive the requested fiscal year 2006 increase. At the same time, bird conservation partners in areas of the country without joint ventures continue to organize and support new joint ventures to meet outstanding bird conservation needs and deserve some level of assistance from the Service.

**Question.** Of the six new proposed joint ventures, which are of greatest importance to begin as early as possible?

**Answer.** The Central Hardwoods Joint Venture has met all the Service-established criteria for receiving funding support, including the development of an approved Joint Venture Plan. The Northern Great Plains Joint Venture is expected to complete work on their Plan in the next few months. These should be the first of the new joint ventures to receive funding. All of the new joint ventures are making progress toward these same criteria.

#### FISH AND WILDLIFE SERVICE SCIENCE INITIATIVE

**Question.** The fiscal year 2006 budget request proposes \$2 million for a science excellence initiative within the Fish and Wildlife Service budget.

Are these funds to enhance the Service's scientific capability?

**Answer.** No, the \$2 million requested for the Science Excellence Initiative would not be used to manage the Service's existing scientific capability; it would be used to meet mission-critical needs that cannot be met within core capabilities. The funds would be used to develop additional partnerships and mechanisms to enable the Service's scientists to collaborate more effectively among themselves and with expert scientists in other organizations, especially the U.S. Geological Survey. For example, funds (\$500,000) requested to establish one or more communities of practice would bring together expert scientists in the Service and USGS and provide them with a mechanism to share and exchange scientific information and work together on high-priority fish and wildlife issues. These communities of practice would largely be virtual fora where experienced scientists and new scientists alike could go to accelerate their learning about emerging scientific techniques and scientific information, and to discuss specific situations where those techniques and that information were instrumental in resolving fish and wildlife issues or in preparing fish and wildlife

management plans, such as recovery plans and refuge management plans. Similarly, about a quarter of the funds requested would be used by the Service to work directly with USGS's Cooperative Research Units, which have unique capability to provide the timely technical assistance, scientific expertise and scientific information Service scientists need to manage fish and wildlife on-the-ground, particularly on refuges, in National Fish Hatcheries, and in a variety of restoration programs, like those supported by the Partners for Fish and Wildlife program. Likewise, about a third of the funds requested would be used to work directly with USGS scientists in relationships that would resemble consultancies or limited scientific partnerships. These relationships would enable operational scientists in the Service to acquire special kinds of expertise, such as in ecological modeling and adaptive management, that they need to manage refuge lands, conserve threatened and endangered species, conserve migratory waterfowl, and restore interjurisdictional fisheries.

*Question.* Why does the Service need to develop this science capability in-house rather than relying on USGS to meet these needs?

*Answer.* The Service must have the operational scientific capability to apply cutting edge science and complex scientific methods to administer the programs for which our agency is responsible. While we rely upon USGS and other science organizations for many research needs, where information is needed to inform our management; the effective administration of our science-based management programs requires operational science capability at a high level. This increase request is to enhance this operational science capability within the Service.

The Service needs to provide its front line scientists with the basic means they need to acquire the scientific information, scientific expertise and technical assistance they use daily to address complex resource management issues. Service scientists, many of whom work at isolated duty stations with only one or two peer scientists, must be linked to the broader scientific community and to world-class scientific institutions, where they can go for assistance and consultation. The \$2 million requested for the science excellence initiative would link the Service's operational scientists with one another and with USGS's research scientists through: (1) communities of practice, which would enhance collaboration among scientists engaged in issues like structured decision support systems, conservation genetics and adaptive management; (2) consultancies and limited partnerships that would enable the Service's operational scientists to work hand-in-hand with USGS expert scientists on particularly complex resource issues; and (3) collaborative ventures with Cooperative Research Units, which would enable Service scientists to augment their expertise by acquiring special expertise and information housed in CRUs.

*Question.* How, if at all, is the USGS involved in this initiative?

*Answer.* USGS is a willing and supportive partner in the Science Excellence Initiative and in the Service's \$2 million request in fiscal year 2006. Directors Groat (USGS) and Williams (FWS) conferred extensively about their bureaus' priority budget needs in both fiscal year 2005 and fiscal year 2006. In fiscal year 2005, the bureaus built budget initiatives that were complementary and carefully integrated, and which were intended to provide both bureaus with much-needed capabilities to address local issues confronting our nation's fish and wildlife. However, funding to support these capabilities was not appropriated. Nonetheless, the Directors collaborated again in developing their fiscal year 2006 budget proposals. Director Groat (USGS) lent his full support to the Service's request for \$2 million in fiscal year 2006 for its Science Excellence Initiative.

In addition to being a supportive partner, USGS is also willing to work with the Service to help develop the infrastructure and collaborative relationships that would be supported by the Service's \$2 billion budget request. Director Groat and his senior managers in the biological discipline, as well as leaders at Cooperative Research Units and the Survey's research centers, await opportunities to work with the Service to establish communities of practice and science consultancies, and to work together on pressing resource issues at local levels.

#### FISHERIES PROGRAM

*Question.* The fiscal year 2005 budget justification did not adequately describe the impacts that the proposed budget would have on the fisheries program. The Committee learned well after the submission of the budget that several important hatchery facilities would be put in caretaker status or be closed completely. The Committee provided additional funds to prevent these closures.

At the levels proposed in the fiscal year 2006 request, will any hatcheries be closed or have significant staff reductions?

*Answer.* No National Fish Hatcheries will close or have significant staff reductions in fiscal year 2006 at the proposed levels. The President's fiscal year 2006

Budget Request includes increases of \$2.111 million for National Fish Hatchery System (NFHS) operations funding and a general program increase of \$345,000 for maintenance funding. These increases will allow the NFHS to clearly focus on implementation of priority restoration, recovery, and science and technology projects to achieve goals outlined in the National Fisheries Program Strategic Plan.

*Question.* Does the fiscal year 2006 request maintain the additional \$885,000 that the Committee added to the base program for fiscal year 2005?

Answer. The fiscal year 2006 request does not include the additional \$885,000 that the Committee added to the base program in fiscal year 2005.

#### ESA CONSULTATION BUDGET

*Question.* The Committee frequently hears from various groups that it take too long for projects to receive their section 7 consultation approval from the Fish and Wildlife Service.

What has been the level of staffing for this program for each of the last five years?

Answer. The number of full time equivalents (FTE) working on consultations in the past five years has been as follows:

Fiscal year	Full time equivalents
2000 .....	380
2001 .....	430
2002 .....	480
2003 .....	480
2004 .....	480
2005 .....	480

*Question.* Is there a large backlog of proposed projects that need section 7 consultations?

Answer. The Service attempts as much as possible to meet the consultation timeframes imposed by the Act. However, the Service acknowledges that its consultation workload is high and increasing and is taking steps to address it. We have recently promulgated two joint counterpart regulations that are intended to provide flexibility in the ways a Federal agency may meet its obligations under the ESA by creating alternative procedures to the section 7 consultation process. They reduce our workload by enhancing the efficiency and effectiveness of the section 7 consultation process by increasing interagency cooperation and providing two optional alternatives for completing section 7 consultation. We have promulgated a counterpart regulation for EPA pesticide consultations under the Federal Insecticide, Fungicide and Rodenticide Act. As part of the President's Healthy Forests Initiative, we developed counterpart regulations with the Bureau of Land Management, National Park Service, Bureau of Indian Affairs, USDA Forest Service, and the National Marine Fisheries Service to streamline consultations on proposed projects that support the National Fire Plan.

*Question.* If so, would additional personnel reduce this backlog?

Answer. Yes, additional personnel could help address the backlog in the short-term. However, we have a continued effort to streamline consultations to reduce the backlog in the long-term. Accordingly, additional personnel may not be the best use of resources in the long run.

*Question.* How much funding does the Service receive from other Department of the Interior agencies and the Forest Service for consultation work on hazardous fuels reduction projects?

Answer. Agreements were signed in 2001 within the Department of the Interior and with the Forest Service and BLM that allow the Service to be reimbursed by the fire management agencies for costs associated with the increased consultation workload related to the fire plan. Since fiscal year 2001, over \$12.7 million appropriated to the Forest Service and BLM for the purposes of wildland fire management has been made available to the Service through these agreements and subsequent modifications.

*Question.* Are these funds from other agencies certain enough that the Service can hire on additional staff to perform this work or does the amount of funds vary too much from year to year?

Answer. The interagency agreement funding has supported approximately 43 full time equivalent employees to work on fire consultations to date. Agreements negotiated in 2001 provided funding through 2006 or until expended. In addition, in many Field Offices, the Service reassigned its most experienced section 7 staff to

work on the National Fire Plan. These biologists are now available to assist the fire management agencies in early project planning.

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QUESTIONS SUBMITTED BY SENATOR TED STEVENS

BUREAU OF LAND MANAGEMENT

*Questions.* The 2004 fire season was the worst Alaska has ever seen. Alaska had 703 fires and over 6.6 million acres burned. Not only did these fires affect the land and wildlife in various regions of the state, but the health and safety of nearby residents. For more than 15 days, the EPA rated the air quality in Fairbanks as “hazardous,” meaning that particulate matter in the air exceeded 350 micrograms per cubic meter. At several times during the summer, Fairbanks and the surrounding communities exceeded 995 particulates per cubic meter. A typical day in Fairbanks rates 10 micrograms per cubic meter. Residents had to avoid any outdoor exertion, and people with respiratory or heart disease, the elderly, and children had to remain indoors.

I have received reports that the effects of these fires could have been diminished, but the federal agencies lacked the resources, manpower, and equipment necessary to adequately attack these fires at their inception. This led to relatively minor fires expanding until they burned out of control.

Given the 2004 fire season in Alaska, has the Department reevaluated its procedures? What changes, if any, have been made to fire policy, particularly in areas with less population but where fires, if left to burn, could have devastating effects on the land and to wildlife? Do you feel that the Department’s budget has adequate resources for this upcoming fire season?

*Answer.* The Alaska Wildland Fire Coordinating Group (AWFCG) has been actively evaluating operations and procedures based on the 2004 fire season. This group consists of the Department of the Interior’s National Park Service, Fish and Wildlife Service, Bureau of Indian Affairs and the Bureau of Land Management, along with the Department of Agriculture’s Forest Service, the State of Alaska, and representatives from Chugachmuit and Tanana Chiefs.

As part of the evaluation process the AWFCG sponsored a series of 13 public meetings in communities throughout Alaska’s interior and in Anchorage. Additionally, AWFCG participated in and took comments at the fall meeting of the Forty-Mile Miners Association and the Bureau of Indian Affairs Providers Conference. A wide range of concerns and comments raised at those meetings are now being addressed.

The AWFCG has developed a summary of the public comments, recommendations and actions based on the community meetings and written comments received since the 2004 fire season. This document can be found at the following web site: <http://fire.ak.blm.gov>. At this site, the document can be found by clicking on the fire planning section and referring to community meetings.

ACTIONS

*Fire Planning Process*

The AWCG reviewed the Alaska Interagency Wildland Fire Management Plan (AIWFMP) and confirmed that the plan is a positive approach to overall statewide fire management and that the plan provides the flexibility to make any needed adjustments based on the 2004 season.

The AIWFMP provides for an annual review of the management options for designated protection levels, e.g. critical, full, modified, and limited. The land management agencies have reviewed the boundary locations delineating these levels, and some boundaries have already been changed based on the concerns expressed by Alaska communities. Other boundary changes are being considered but are not yet final.

There were many concerns raised about the level and duration of smoke in the communities affected by last year’s fires. The AIWFMP currently provides flexibility for the land manager/owner or AWFCG to authorize an increased level of suppression as conditions require, regardless of management option designation. However, previously there were no criteria identified in the AIWFMP as to when this adjustment should be considered.

AWCG has drafted proposed evaluation criteria, or trigger points, for when increased suppression should be considered in the interest of smoke mitigation. The draft is being reviewed by the interagency wildland fire community and will be implemented before the upcoming fire season. However, it is important to recognize that, in any given situation, there is no guarantee that increased suppression will

successfully reduce fire impacts, including smoke. Moreover, one must be cognizant of the fact that, over time, successful suppression can actually increase fire risks by contributing to the buildup of hazardous fuels. Successful suppression strategies require a careful balancing of these short- and long-term risks.

In 1958, the State of Alaska was granted over 103 million acres of land under the Alaska Statehood Act. In 1971, Native Alaskans were granted 44 million acres of land under the Alaska Native Claims Settlement Act. At present, approximately 89 million still await final transfer. To remedy this situation, Senator Lisa Murkowski and myself sponsored the Alaska Land Transfer Acceleration Act to accelerate conveyances to the State of Alaska and Native Corporations, finalize pending native allotments, and complete the University of Alaska's remaining land entitlement by 2009—it became law in December 2004. While these legislative changes are a necessary component, the goal of completing conveyances by 2009 requires increases in funding.

*Question.* Given the importance of completing the Alaska conveyance process, why did BLM decrease funding for this program by over \$9 million?

*Answer.* The BLM fully supports the Alaska Conveyance program. The significant increase provided by Congress in the 2005 appropriations process could not be maintained in a constrained fiscal environment. The 2006 budget funds the program at the same level as in the 2005 request, with the addition of uncontrollables, which the Department believes at the present time is a more sustainable level. At the 2006 request level, the BLM will continue to make significant progress in transferring Federal lands in Alaska to other ownerships. New provisions provided by the recently enacted Alaska Land Transfer Acceleration Act will allow the BLM to accelerate the completion of the program and reduce costs.

#### FISH AND WILDLIFE SERVICE

*Question.* The Endangered Species Act provides broad protections for fish, wildlife and plants that are threatened or endangered. Every year, Congress appropriates hundreds of millions of dollars for that program. The spectacled eider and Steller's eider are two species in Alaska that have been listed as threatened. The Fish and Wildlife Service's budget proposes decreasing funding for their recovery by over \$1 million.

Given the importance of conserving endangered and threatened species and the ecosystems upon which they depend, what is the Department's justification for reducing funding for their recovery to less than \$500,000?

*Answer.* The requested changes in the recovery budget reduce the funding for the Alaska Sea Life Center to \$494,000, which will likely be used for collaboration between the Service and the Alaska Sea Life Center to continue coordination of the eider recovery team and applied studies on eider biology, physiology, and ecology; and continue outreach and education efforts involving Alaska Natives and other rural residents in eider conservation efforts. The \$1.9 million proposed increase in Recovery general program funding will actually increase the Service's ability to leverage existing funds with willing partners to implement the recovery programs for a wide variety of species. In this manner, we will still be able to complete our high-priority recovery planning and implementation actions.

*Question.* One requirement of the Marine Mammal Act is that marine mammal populations and the marine ecosystems upon which they depend be maintained at, or returned to, healthy levels. This mandate is of particular importance to my state given the number and types of marine mammals in Alaska and the need to ensure sustainable use of marine mammals for subsistence purposes.

What is the Department's justification for eliminating funding for Alaska Marine Mammals—over \$2 million was appropriated for this program in fiscal year 2005?

*Answer.* The earmark provided in fiscal year 2005 is targeted to two areas: (1) \$1,183,000 for cooperative agreements with Alaska Native organizations, and (2) \$986,000 for marine mammal surveys in Alaska. We anticipate that the tasks and projects funded with this earmark, and that are described below, will be completed in fiscal year 2005. The Service is committed to continuing to meet our responsibilities for marine mammal conservation and management under the Marine Mammal Protection Act, and recovery for those species listed under the Endangered Species Act. We anticipate that at the Administration's request level, we will be able to implement activities to conserve and manage marine mammals and meet our responsibilities.

The fiscal year 2005 appropriation included \$1,183,000 for grants to develop and implement cooperative agreements with Alaska Native organizations, under Section 119 of the Marine Mammal Protection Act of 1972, as amended in 1994. These agreements enhance the management of polar bears, Pacific walrus, and northern

sea otters in Alaska. In fiscal year 2005, funds are being provided to the Eskimo Walrus Commission, the Alaska Sea Otter and Steller Sea Lion Commission, and the Alaska Nanuq (Polar Bear) Commission, where they continue to be used to develop the management capabilities of the Native community for locally directed subsistence harvest. The funds appropriated in fiscal year 2005 help bring together people from remote villages to develop and implement effective and consensus management strategies, which enhances communication within the Native community and between the Native community and the Service. Other cooperative projects increase local involvement in gathering environmental data and compiling traditional knowledge to support sustainable use of marine mammal subsistence resources. The Service establishes Cooperative agreements with the three Commissions on an annual basis and therefore, these grant-funded tasks will be completed in fiscal year 2005. The Service has committed \$250,000 from our fiscal year 2006 budget for implementation of Section 119 Agreements.

The fiscal year 2005 Appropriation also included \$986,000 for the continued development of marine mammal population survey methods in Alaska. These funds provide the opportunity to obtain biological information to address high priority resource issues. They also help develop and test innovative survey techniques relating to walrus, sea otters and polar bears in Alaska. Survey activities undertaken with these funds will be used to refine remote sensing with thermal imaging to estimate walrus numbers, which dramatically increases the Service's ability to conduct critical abundance estimates for Pacific walrus. In addition, sea otter surveys funded with these dollars will be conducted to help evaluate regional trends for a declining population as well as questions regarding potential seasonal distribution changes within specific regions where numbers of sea otters have been depleted. Additional surveys conducted with these funds will improve information on the distribution of the southern Beaufort Sea polar bear populations. Successful completion of these preliminary projects also is expected during fiscal year 2005.

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#### QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

##### STANDING ROCK IRRIGATION

*Question.* Low lake levels at Lake Oahe, which spans 231 miles from Pierre, the capital of South Dakota, to Bismarck, the capital of North Dakota, have been causing a number of problems for Standing Rock Sioux Tribe. From November 23–26, 2003, there was simply no drinking water at all in Fort Yates, ND. The Standing Rock Sioux Tribe purchased and distributed bottled drinking water and other supplies and the Bureau of Reclamation did what it could to restore the water supply to the community during that holiday weekend.

More than a year later, however, the community is dealing with the effects of low lake levels. It has hit the Tribe's irrigation program particularly hard. Last year, construction was completed on the Cannonball irrigation project as a part of the Garrison project, but a temporary change in the intake was required to operate in 2004 due to low water levels on Lake Oahe. The original intake was never used because 11 feet of sediment had accumulated over the intake. In order for the irrigation project to operate this year, a new intake is needed. The North Dakota delegation sent a letter to the Commissioner of the Bureau of Reclamation, Mr. Keys, on March 1, asking for funds to address this problem. Could you please tell us the status of a response to our letter?

*Answer.* A letter was signed by the Commissioner on April 5, 2005 in response to the North Dakota delegation. Attached is a copy of the letter for the record.

*Question.* Similar problems are plaguing two irrigation intakes that were constructed with BIA irrigation funds—the Fort Yates intake in North Dakota and the Eagle intake in South Dakota. The Tribe has asked about the possibility of a reprogramming of fiscal year 2005 BIA funds or an appropriation of fiscal year 2006 funds to extend these two intakes originally constructed with BIA funds. Could you give the Subcommittee an analysis of the status of the fiscal year 2005 funding in the BIA's irrigation program, and explain what authorization and funding level would be needed for the Subcommittee to appropriate funds in fiscal year 2006 to address these problems?

*Answer.* As these are extensions of two existing intake structures, this would fall under the BIA Irrigation Construction program. In fiscal year 2005, all Irrigation Construction funding was directed to the Navajo Indian Irrigation Project (NIIP). In fiscal year 2006 the President's Budget request for Irrigation Construction is \$12.8 million and consists solely of funding for NIIP.

The BIA has authority to undertake the Standing Rock water intake projects. However, any funding for these projects should be identified separate and apart from funding for NIIP. A consultant of the Standing Rock Sioux Tribe has provided an estimate of \$1.0 million for the Fort Yates intake extension project, which BIA has validated, and \$500,000 for the Eagle intake extension project which the BIA is in the process of assessing.

#### NATIONAL WILDLIFE REFUGE SYSTEM

*Question.* The fiscal year 2006 budget for the Fish and Wildlife Service includes an increase of \$12.9 million over the enacted level. With this increase the budget justification notes an associated increase of 10 FTEs. However, the Fish and Wildlife Service has indicated they may have to abolish as many as 200 positions under this budget request due to increased costs and assessments. Will any positions be eliminated or held open in fiscal year 2005 or fiscal year 2006 that have previously been filled? If so, please provide a list by region and field station.

*Answer.* The positions in question are located in the National Wildlife Refuge program. While they have been identified as a minimum staffing need, many of these positions have never been funded. The impact to the budget is in lost opportunities to address funding needs due to the absorption of fixed costs and across-the-board rescissions.

Since 2001, the total number of Refuge FTEs has increased by 419 positions, or roughly 16 percent. At the same time, however, the program has had to absorb roughly \$22.1 million in fixed costs that could otherwise have been used to hire almost an additional 278 new staff. The \$22.1 million amount is comprised of two factors. The first factor is the gap between the legislated pay increase level and the actual funding received for pay increases. Over multiple years, this gap has a cumulative impact. The second factor is the annual impact of across-the-board rescissions. In addition to preventing the program from hiring new staff, absorbing fixed costs reduces opportunities to leverage funds, support additional volunteers and partnerships, and provide additional services to the public.

The Service continues to monitor the situation. Before leaving positions unfilled, programs look at numerous other ways to contain costs. For example, the Service extensively uses partnerships and volunteers to contain costs: in fiscal year 2005, there were over 45,000 volunteers.

#### SCIENTIFIC INTEGRITY

*Question.* Has the Department done anything to look into the results of a recently conducted Union of Concerned Scientists and Public Employees for Environmental Responsibility Survey of U.S. Fish and Wildlife Service employees? How are you addressing these concerns about political interference at the Department?

*Answer.* The Fish and Wildlife Service has reviewed the information compiled by the Union of Concerned Scientists and by Public Employees for Environmental Responsibility. In addition, the Service has studied the survey techniques and survey instrument used by UCS and PEER. While the survey design, sample size, and response rate make it difficult to draw precise inferences from the data collected, we do not discount the fact that over 400 employees responded to this survey, expressing various forms of dissatisfaction or concern. The Service leadership will be considering these views and other more scientifically generated information in the coming months to determine appropriate steps to address such concerns. We believe that our requested \$2 million Science Excellence budget initiative will provide important support in this effort. With regard to the UCS/PEER inferences about political interference in decision-making, the Service believes it would benefit from revising its training programs to focus more attention on the roles of scientists, supervisors and managers in decision-making and to place greater emphasis on decision-support tools and their roles in structured decision-making. This effort will be directly supported by our fiscal year 2006 Science Excellence funding request and will strengthen and sharpen the application and role of science in the decision making process.

#### LEAFY SPURGE

*Question.* Please provide the funding levels by agency and management unit included in the fiscal year 2006 President's budget for leafy spurge eradication in North Dakota.

*Answer.* The Department's 2006 President's budget includes an estimated \$2.0 million in total for leafy spurge and yellow star thistle, broken out as follows, by bureau:



Agency	Amount
BLM .....	\$700,000
USGS .....	300,000
FWS .....	646,000
NPS .....	250,000
BIA .....	200,000

Funds are distributed based on priority needs and at this point in time, information on leafy spurge funding by state is not available.

#### TRIBAL PRIORITY ALLOCATIONS

*Question.* As you are aware, the Tribal Priority Allocations or “TPA” account in the BIA budget makes up 40 percent of Operation of Indian Programs funding. TPA funds basic, rubber-meets-the-road tribal services, including programs for tribal courts, Indian child welfare, housing, welfare assistance, adult education and forestry. The fiscal year 2006 request proposes to “evaluate” the allocation of funding under TPA and consider if there are better ways to distribute TPA funds. What assurance can you provide this Subcommittee that tribes will be consulted before any redistribution plan is put in place? Given that tribal consultation sessions are already being held in the formulation of the fiscal year 2007 budget, how will any reallocation or redistribution proposal affect the development of the fiscal year 2007 budget request?

*Answer.* The Tribes will play a significant role in the analysis of the current TPA funding formula. The Tribal Budget Advisory Council has established a working group to evaluate this issue. If the evaluation indicates a need to revise the funding formula, proposals will be developed and considered in consultation with the Tribes. This evaluation is in a very preliminary stage; therefore, the impact to the fiscal year 2007 budget request cannot yet be determined.

#### MNI SOSE WATER RIGHTS

*Question.* In December, 2004, the Bureau of Indian Affairs (BIA) notified the Mni Sose Intertribal Water Rights Coalition (Coalition) that its fiscal year 2005 funding had been eliminated. This Coalition consists of 28 tribes in the Missouri River Basin and has been operating for twelve years pursuant to a Memorandum of Agreement (MOA) with the BIA. The MOA was based on providing trust services and responsibilities to the Northern Plains Tribes due to a lack of BIA manpower, interagency relationships, and knowledge of trust issues. Can you tell the subcommittee why these funds were eliminated and whether or not the Department has identified unobligated funds that could be reprogrammed to the Coalition?

*Answer.* In fiscal year 2005, the budget for the Water Resources Management, Planning, and Pre-development, program was reduced by \$418,000. This restricted the program’s ability to fund all initiatives that had been supported the previous year. In distribution of the fiscal year 2005 funds, BIA staff carefully monitored the provisions required under the MOA between the Coalition, and also reviewed the Coalition’s proposed projects in accordance with national criteria. The coalition did not rank high enough, when compared to other Tribal needs, to receive funding. If funding becomes available for reprogramming, funding for the Coalition will be considered among other priority funding needs.

#### BIA REPLACEMENT SCHOOL CONSTRUCTION

*Question.* BIA is responsible for operating 184 schools in 23 states that serve roughly 48,000 children. The budget says that funding for the school construction program supports the President’s commitment to “leave no child behind,” and that the goal is to “provide an environment conducive to quality educational achievement.” Yet, the administration’s budget proposes to reduce funding for replacement schools by \$62 million. That’s a cut of 58 percent from the current enacted level, and 69 percent from the 2004 level. Congress has provided a substantial amount of money to the construction program over the past 4 or 5 years, and these projects take some time to complete. But despite the increases, one-third of BIA schools are still listed as being in “poor” condition. According to the budget, BIA has had some carryover balances in the construction account, so the thinking here is that by cutting the funding, the planning and design people can “catch up with construction awards.” BIA will carry over \$175 million in fiscal year 2006, approximately 55 percent of the \$319 million appropriated in fiscal year 2005. The National Park Service will carry over \$385 million, or 127 percent of the \$302 million appropriated last year. Yet, despite having more than twice the carryover as BIA, the request for

Park Service construction is actually up \$22 million, a 7 percent increase. Knowing that there are still 60 schools out there that are in drastic need of replacement, why is school construction funding being cut by 58 percent? And if this is really all about carryover balances, then why is the Park Service being spared a similar cut in its construction program?

Answer. The table below summarizes carryover as a percent of total available funding for NPS, BLM, FWS, and BIA. However, carryover balances were not the only factor considered. The funding level for each construction account was based on an evaluation of facts specific to each bureau. For BIA, funding for school construction was reduced to maximize our ability to complete schools already in the design process or under construction. The budget maintains the pace of the current program by including funding to begin planning and design for future projects

[Dollars in millions]

	Fiscal year 2004				Fiscal year		Percent change fiscal year 2006 vs. fiscal year 2005
	Enacted BA	Total available <sup>1</sup>	Carryover	Carryover as a percent of total available	2005 enacted BA	2006 request BA	
NPS .....	\$409	\$723	\$339	47	\$355	\$358	1
BLM .....	14	28	14	50	11	6	-45
FWS .....	72	143	68	48	96	22	-77
BIA <sup>2</sup> .....	347	610	216	35	319	232	-27

<sup>1</sup> Total available includes carryover from prior years, recoveries, and new budget authority.

<sup>2</sup> The numbers shown for BIA represent the total construction account, not just school construction.

#### QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

*Question.* As you know, the National Center for Earth Resources Observation and Science (commonly known as “EROS”) in Sioux Falls, South Dakota, is an extraordinarily important resource not only for my state, but for our nation and the international community. You have been extremely helpful in working with me and others to avert the potential crisis that could have resulted from the May 2003 malfunction of the Landsat 7 satellite’s scan line corrector (SLC). Your cooperation in reprogramming funds for use at EROS helped to address funding shortfalls caused by the malfunction, and you were instrumental in assembling the President’s fiscal year 2006 budget request, which seeks funding increases that will help to ensure the long-term continuity of the Landsat data record. I look forward to working with you and my colleagues in Congress to ensure that this essential funding is delivered. I remain concerned, however, about the possibility that another more serious Landsat malfunction between now and the launch of its successor in 2009, at the earliest, could cause a gap in the Landsat data record. Does the USGS expect a Landsat data gap to occur?

Answer. A land imaging sensor is scheduled to launch on the first NPOESS (National Polar-orbiting Operational Environmental Satellite System) satellite (launch currently targeted for late CY 2009). The extent of a gap, if any, between Landsat 7 and NPOESS will depend on the continued health of Landsat 7 as well as NPOESS’ ability to remain on schedule. Given the uncertainties involved, the USGS and NASA are developing plans to buy imagery to mitigate any negative impacts to users of the Landsat data (discussed below in greater detail).

*Question.* Given that such a gap would diminish the value of the Landsat data record and potentially harm our data processing capabilities, it is in our interest to do all we can to prevent a gap from occurring. Could you outline the preventive steps being taken by USGS?

Answer. USGS flight engineers continually monitor telemetry from Landsat 7 to maintain the health and safety of the spacecraft and the sensor on board. For several months in 2004, the engineers tracked anomalies in the performance of one of Landsat 7’s three gyroscopes, which are used to maintain and control the position and orientation of the spacecraft. After extensive analysis, the USGS decided to shut off one “gyro”. During the same period, the USGS worked closely with NASA experts to perform a risk assessment, as the Landsat 7 satellite design requires two gyros for successful operation. The USGS continues to monitor the remaining gyros. So far, however, the remaining gyros are functioning with no problems, and they could last for the duration of the mission. The USGS is taking preventive steps, though, by conducting a study that would allow for operation of the satellite using

a single gyro. This approach has worked successfully on other satellites designed for two-gyro performance, and a hardware/software test of single-gyro flight procedures is planned for the summer of 2005.

*Question.* Further, should these preventive steps fail, how would USGS minimize the negative consequences of a gap?

*Answer.* In case these preventive steps fail, the USGS, with NASA and with input from the user community, is investigating alternatives for partial mitigation of a data gap. That is, while no single satellite or combination of satellites can duplicate the spectral content and geographic coverage of Landsat 7, one or more foreign land-observing satellite systems may be able to provide, at reasonable cost, twice-annual global coverage of imagery with spectral characteristics that are somewhat similar to Landsat 7. The USGS is currently evaluating data from such systems and holding preliminary discussions with the data providers.

*Question.* Finally, could you explain the extent to which the President's fiscal year 2006 budget request for Landsat 7 operations and the Landsat Data Continuity Mission would help to prevent and respond to a potential gap?

*Answer.* Baseline funding for the USGS Land Remote Sensing Program supports ongoing, routine efforts to obtain and characterize sample data sets from commercial land-observing satellites and from international government systems. In cooperation with NASA scientists, sample data sets from systems capable of providing global land coverage are currently being evaluated. Program funding for fiscal year 2006 is projected to continue supporting this effort. Should Landsat 7 fail during fiscal year 2006, it is presumed that flight-operations funding for Landsat 7 could be shifted toward obtaining alternative data once the decommissioning effort is completed. LDCM is the longer-term solution to the status of Landsat 7. Timely launch of a new land sensor by 2009 will provide a full replacement for Landsat 7.

#### CONCLUSION OF HEARINGS

Senator BURNS. Thank you very much. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 11:12 a.m., Wednesday, March 10, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]



**DEPARTMENT OF THE INTERIOR AND RE-  
LATED AGENCIES APPROPRIATIONS FOR  
FISCAL YEAR 2006**

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

**NONDEPARTMENTAL WITNESSES**

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses, the statements and letters of those submitting written testimony are as follows:]

**DEPARTMENT OF THE INTERIOR**

**LETTER FROM THE STATE OF NEVADA**

STATE OF NEVADA,  
COLORADO RIVER COMMISSION OF NEVADA,  
*April 26, 2005.*

Hon. CONRAD BURNS, *Chairman,*  
*Subcommittee on Interior, Senate Committee on Appropriations, Washington, DC.*

DEAR CHAIRMAN BURNS: The Colorado River Commission of Nevada, the state agency charged with protecting Nevada's interests and rights in the water, power and land resources of the Colorado River System, supports the appropriation of \$5,200,000 of Bureau of Land Management funds for assistance in salinity control activities in the Colorado River Basin as recommended by the Colorado River Basin Salinity Control Forum for fiscal year 2006. Specifically, the Colorado River Commission supports the President's request for the Soil, Water and Air management for a designation that \$800,000 be used to further advance Colorado River salinity control efforts.

Salinity remains one of the major problems in the Colorado River. Congress has recognized the need to confront this problem with its passage of Public Law 93-320 and Public Law 98-569. Your support of the current funding recommendations for the Colorado River Basin Salinity Control Program is essential to move the program forward so that the congressionally directed salinity objectives are achieved.

Sincerely,

GEORGE M. CAAN,  
*Executive Director.*

## LETTER FROM THE PENOBSCOT INDIAN NATION

OFFICE OF THE CHIEF AND COUNCIL,  
PENOBSCOT NATION, COMMUNITY BUILDING,  
Indian Island, Maine, April 19, 2005.

Hon. THAD COCHRAN, *Chairman*,  
Hon. ROBERT BYRD, *Ranking Minority Member*,  
*Committee on Appropriations*

Hon. CONRAD BURNS, *Chairman*,  
Hon. BYRON DORGAN, *Ranking Minority Member*,  
*Subcommittee on Interior and Related Agencies, U.S. Senate, Washington, DC.*

Dear SENATORS: Thank you very much for all the work you and the Committee members have accomplished over the years on behalf of Tribal governments and our citizens. Indian Country certainly has shown some improvement as a result of your efforts and the Committee is held in high esteem by all Tribes. We are most grateful for all that you have done and continue to do.

On April 14 the House Appropriations Subcommittee on the Interior, Environment and Related Agencies held public hearings and on behalf of the Penobscot Nation, I testified and submitted a written statement. I am attaching a copy of our testimony and ask that you consider it during your deliberations this year and make it a part of any hearing record. I am also attaching a letter I recently sent to Claude Allen, President Bush's Domestic Policy Advisor and Director of the Domestic Policy Council. A number of tribal leaders have had two meetings in recent months with Mr. Allen at which numerous topics were discussed and a comprehensive list of issues affecting Federal agencies were developed.

In follow up to these sessions, I sent the attached letter to Mr. Allen in which I commented on areas of concerns affecting various Federal agencies. Copies have also been sent to the respective Cabinet Level Secretaries overseeing those agencies and departments.

At these meetings and in follow-up correspondence, it is clear that a fundamental area of concern is the inadequacy of funding for programs affecting Indian tribes. I am sure you hear this from various groups but I believe the situation in Indian Country is particularly grave and is in fact inequitable when compared to other groups. I would like to draw your attention to a report entitled, *A Quiet Crisis: Federal Funding and Unmet Needs in Indian Country*. This was published by the U.S. Commission on Civil Rights in 2003 after a detailed examination of Indian programs. Its findings were not a surprise to those of who live on Indian reservations but should be shocking to the rest of the country and to policy makers and appropriators such as yourselves. If you have not read the report, I would urge that you to get a copy and review it in detail. I also want to point your attention to a subsequent report by the Commission entitled, *Broken Promises: Evaluating the Native American Health Care System* (Sept. 2004). These reports indicate that the level of Federal funding made available to Indian people, when compared to other groups for whom the Federal government has a responsibility, is so much less as to constitute a violation of the civil rights of American Indian people. To cite but one example, the per capita health care expenditures for Medicare recipients is \$5,915; for Veterans getting health care from the VA, we spend an average of \$5,214; for inmates in federal prisons, the Congress appropriates \$3,803, and for Indian people the figure is \$1,914. Gentlemen, if we know that it costs over \$5,000 to provide health care to a Veteran and if we know that it costs almost \$4,000 to serve the medical needs of prisoner, how can we spend less than \$2,000 per Indian? What message is this sending to the Indian people as to their relative value in this country.

Two statements from the 2004 report bear repeating:

"It has long been recognized in Native American and medical communities that Native Americans are dying of diabetes, alcoholism, tuberculosis, suicide, unintentional injuries, and other health conditions at shocking rates. Beyond these mortality rates, Native Americans also suffer significantly lower health status and disproportionate rates of disease compared with all other Americans. These realities should come as no surprise to those with a basic knowledge of our nation's history and those charged with making policies that influence the future of the Native American population."

That report also pointed to the "failure of Congress to provide the resources necessary to create and maintain an effective health care system for Native Americans."

The time has come to address this disparity and while I understand there are budget constraints I also know that when this country confronts a crisis, like we have in Iraq where we will soon have spent \$300 billion, we can find the money necessary. Gentlemen, we have such a crisis here at home and ironically it is with the only people inside this country that the United States signed treaties with that included language committing the United States to the provision of health care. Would you consider committing to the simple proposition of allowing Indian health care expenditures to achieve parity with other groups? That would lead to a doubling of the budget of the Indian Health Service were we to achieve parity with prisoners or a two and a half fold increase in the IHS budget to achieve parity with Veterans. If you commit to achieving such parity I know it can't be done in one year but it could be accomplished in a phased fashion over three to five years.

Finally, and more locally, I direct your attention to the fact that the proposed budget eliminates the BIA's Community Fire Protection. The proposed elimination of this program directly contradicts the Department of Interior's Strategic Plan (2003-2005) which identifies the "Protection of Lives, Resources, & Property" as a core mission. The Penobscot Reservation is an island in the middle of the Penobscot River, with one bridge providing the only entrance and exit. We have approximately 300 single-family homes which house approximately 545 persons, 16 elderly apartments, a school with 100+ students in attendance and six tribal buildings housing approximately 125 employees. Additionally, we are currently constructing an elderly assisted living complex, and are in the planning stages of building 15 new single family homes. We recently met with our neighboring town's (Old Town, Maine), Fire Department officials to discuss the possibility of contracting with them for our fire protection needs. Unfortunately, the town reported to us that they could not enter into a contractual agreement. As indicated in the attached, it is a priority of the Penobscot people that the Committee restore funding for the Community Fire Protection and we ask that when you do you direct the BIA include an additional \$150,000 to our TPA base for the Penobscot Nation's community fire program.

Overall our request was for an additional TPA of \$655,500 for Fire, Police, Economic & Community Development and Veterans Services Coordination for Indian Veterans of Maine, and, access to Title IV-E of Foster Care.

Again, Thank you very much, we sincerely do appreciate all you are doing for Indian People.

May GheChe' Nawais be with you, with all of our families and "All Our Relations."

JAMES SAPIER, *Chief,*  
*Penobscot Nation.*

Attachments.

PREPARED STATEMENT OF JAMES SAPIER, TRIBAL CHIEF, PENOBSCOT NATION

Chairman Taylor, Ranking Member Dicks and Members; Thank you for this opportunity to testify.

- My name is James Sappier, Chief of the Penobscot Nation in Maine.
- We live on Indian Island, one of over two hundred islands in the Penobscot River that make up our reservation lands in central Maine.
- Our written testimony has been given to the Clerk, as well as a copy of our letter to the President's Domestic Policy Council.
- I will give a brief summary.
- We strongly oppose the Administration's proposed fiscal year 2006 Bureau of Indian Affairs Budget which proposes a decrease to the Tribal Priority Allocations (TPA) resulting in reduction and/or elimination of programs vital to the Penobscot Nation's safety and well-being.
- The Penobscot Nation, as do most Tribal communities, rely heavily upon BIA funding to support their essential community needs, as fire protection, law enforcement, education, housing, trust lands protection, health and human services. etc.
- All Services that are 638 contracted by the Tribe.
- Our specific requests to the Committee for the fiscal year 2006 budget includes: Appropriation requests of Bureau of Indian Affairs of \$655,500
- \$150,000 for Community Fire Protection,
- \$100,000 for Economic Development,
- A need for \$60,000 for law enforcement,
- \$172,000 for community development, and

—\$173,500 for the Indian Veterans of Maine—the Penobscots, Passamaquoddies, Maliseets and Micmacs of central Maine and, SUPPORT FOR TRIBAL ACCESS TO TITLE IV-E FOSTER CARE

*For Indian Health Services*

The Committee should increase the IHS budget to at least the level of health care that prisoners receive. Our budget would be doubled.

Also, Tribes need a waiver to participate in Social Security benefits and programs. Indians don't live that long and programs that require age-based qualification for eligibility, discriminate against our members and their receiving full services.

—An example, since January 2004, we have buried 21 Tribal members, the average age was 57 years old.

—This is actually 1 percent of our total Tribal population.

*For the Environmental Protection Administration*

Each year the Tribal Operations Committee's Indian Caucus submits a Tribal budget based on need to the administration and each year they receive about 45 percent of their budget request.

The Tribes will never catch up to the numerous entities that receive program and environmental support.

Tribes are truly 25 years too late in coming into the EPA system.

The letter to the President's Domestic Policy Council illustrates a more in-depth description of conditions that confront our Tribes and especially those areas within the scope of this Committee, the Interior, Health and Environment of Indian Country.

—This letter places much emphasis on the "Quiet Crisis—Federal Funding and Unmet Needs In Indian Country" a report prepared by the U.S. Commission on Civil Rights in 2003.

—It really brings to the forefront the real problems in Indian Country.

—After a detailed analysis, the Commission concluded that funding for programs for Indian Tribes simply have not kept up with spending for non-native programs, or to meet the increase population growth of Indian Country.

—Congress must consider the impact of inflationary costs.

—Specifically federal funding for Native American programs is inadequate and goes unnoticed because it is unreported, unmonitored, unaccounted for, and inconsistently tracked.

Specifically, for BIA the following were noted:

—When adjusted for inflation, the impact of TPA funding shortfalls become more evident.

—The TPA budget has diminished the real spending power of tribal governments dramatically.

—Tribal governments do not receive funds at the rate of inflation, and they have also been losing real spending power at a dramatic rate.

—Over the period of the report, 1998–2003, TPA spending power has lost \$36.5 million or 4.4 percent.

—These inflationary costs coupled with the \$10 million reduction is making it impossible for Tribal Governments to continue to operate programs that the Federal Government has a legal obligation through treaties, settlement acts, and statutes to provide.

—Tribal self-determination is endangered if these reductions are enacted.

—Penobscot Nation has no other funding sources to pay for the program operational shortfalls and may be left with no alternative but to consider retrocession of these programs.

—Under the Indian Self-Determination Act we can retrocede a program back to the United States and the agency involved (BIA or IHS for instance) would be required to send personnel to Maine, establish offices and take over the management and operation of that program.

—The costs for administration, management and operations of BIA programs would be 250–300 percent higher.

—As reflected within the USCRC report, "A Quiet Crisis," all Departments listed actually place our Tribes in jeopardy.

—A copy of the letter sent to the President's Domestic Policy Council for their attention and involvement is available.

—Each Department and agency has received a heads-up transmittal letter and a copy of the Council letter as well.

—The letter to the Domestic Policy Council brings to the forefront many issues that need to be addressed by the Committee.



- The Department of Interior's Strategic Plan (2003–2005) clearly identifies as one of its four missions to be the "Protection of Lives, Resources, & Property".
- Certainly, our appropriation requests identified falls within the scope of the Department's mission.
- The Penobscot Nation is currently working on several economic development projects, including a Mail-Order Pharmacy Service.
- We are confident that these projects will have the potential to change our devastating economic.

Last July I resigned from EPA-Boston, went home, and was elected Chief in September taking Office in October. I could not continue working within the federal structure and watch the slow degradation overcoming our communities.

Federal Agency Program Managers, 3 or 4 levels below the Secretariat will not and/or are very reluctant to disinvest program funds for purposes of increasing Indian Program funding. As well, this is true of Congressional Committees and their staffers as budget levels are determined for each Committee in carrying out their responsibilities.

We should not pit one constituency against another and as no one gains and hard feelings cause unnecessary disruptions.

What do we do with the USCRC report, A Quiet Crisis?

In Indian Country, this question is being raised, and, we believe that yearly budget increases in phases one, two and three years can only be accomplished in the Administration, the Congress and the Tribes working together as true governmental partners. We really must do something and very, very soon.

Would the United States commit to a three year phase approach to bring the Tribes up to parity, in program budget levels?

The Penobscot Nation appreciates the opportunity to express our concerns pertaining to the proposed fiscal year 2006 appropriations and especially for your attention to these crucial matters.

We truly need your support.

I'd like to introduce Penobscot Nation elder, Sgt. Charles Shay, he would like to speak with you in regard to our Maine Indian Veterans. Sgt. Shay was a Prisoner of War in Germany during World War II.

Thank you.

#### PREPARED STATEMENT OF SGT. CHARLES SHAY

- My name is Charles Shay, and, I was a World War II "Prisoner of War" in Germany in the 1940's.
- This experience shaped my life, as it has for all the Indian Veterans who have served in all the wars.
- Maine for the first 150 years defined the Penobscot Indians as "paupers" and in 1966 our Tribal members got the right to vote.
- You must remember that the Colonist joined us, the Penobscots in those early years.
- As we were at war with England and as well, the Boston Colony had a Proclamation for scalping Penobscot men, women and children in 1757, signed by Governor Phips.
- Before the United States and after the birth of the United States, our Tribe has fought for this Country in every war.
- Joining the service and defending the United States was never a problem for my Tribe, the Penobscot Nation.
- Penobscot Tribal members served in all wars from the Revolutionary War to today's Iraq.
- We have always been there when our Country called.
- You should not treat our Indian Veterans the way you do.
- Likewise Veteran services have been unknown to us and only recently have we been able to receive some of these.
- Penobscot Nation and the Tribes of Maine really need an Indian Veteran Services Coordinator to advocate and guide Indian Veterans through the maze of paperwork and programs, the forms and applications.
- Penobscot Nation is willing to have the Office centralized in Maine at Indian Island. This cost of \$173,500 should be shared between Veterans Administration and the Bureau of Indian Affairs, Department of Interior.
- It is time to treat our People, Indian People, with the respect they have earned.
- Our Veterans have never received the full benefits for which they have given their life. Many being wounded should have received these over the many, many years they have been available.

Thank you very much for taking the time to listen to me and we do need help for our veterans.

Mr Chairman, Members of the Committee, Ladies and Gentleman: Before I begin stating the reason for my being here to address you, I think it appropriate to furnish you with information about myself. My name is Charles Norman Shay, born 27 June 1924, Native American and a proud member of the Penobscot Indian Nation. Our home is a small island on the Penobscot River located near Old Town, Maine. After graduating from High School in 1942 I was required to register for conscription into the military service which I found to be unfair because at time we were second class citizens in our own country without the right to vote in federal and state elections among other things. We were classified with paupers and other undesirables

I entered the military service in April 1943 and after completing Basic Training and a Medical/Surgical Technician School, I was sent to England where I was assigned to the 16th Infantry Regiment, 1st Infantry Division who, at this time, were preparing for the invasion of Europe. Our unit debarked at "Omaha Beach" on 6 June 1944. I was awarded the "Silver Star" for actions that took place at this time. Our units continued on through France into Aachen, Germany and eventually on to Remagen, Germany where we were able to cross the Rhine River on a bridge that had been secured by other forces of the 1st Army. Our mission, to establish a "Beachhead" so that other forces could follow. This action took place on 24 March 1945 and on 25 March the infantry squad that I was attached to became isolated from the main unit when German Forces launched a counter-attack. We were all taken captive, but only for a few short weeks. Once across the Rhine, allied forces made a massive advance across Germany and Austria and shortly thereafter World War II came to an end. In the summer of 1950, after spending four years in Vienna, Austria with the occupation forces I returned to the United States in July and was assigned to the 7th Infantry Regiment, 3rd Infantry Division. In September of the same year we were on our way to Korea. Our Unit participated in many skirmishes with the North Korean and Chinese forces. I was awarded the "Bronze Star" with two Oak Leaf Clusters and the Combat Medic Badge, 2nd Award. On 24 June 1952 I took an "Honorable Discharge" from the U.S. Army after 10 years of service. Shortly thereafter, I enlisted in the U.S. Air Force and on 31 July 1964 I finally retired from the military service. While serving in the Air Force I participated in "Operation Castle" Atomic Test at Eniwetok Proving Ground in the winter of 1954. In 1965, I obtained a position with the International Atomic Energy Agency with Headquarters in Vienna, Austria until I retired on 31 December 1984. I was recalled to U.N. Service in the spring of 1985 and acted as security officer with the office of the High Commissioner for Refugees, Vienna Office for an additional two and one-half years.

The Penobscot Indian has participated in all wars beginning with the Revolutionary War to the present war that is going on in Iraq. Our ancestors never evaded the opportunity to offer their services to the democratic government of the United States in time of war. This is substantiated by records that show that we had 38 Penobscots in the Revolutionary War, 20 in the Civil War, 26 in World War I, 80 in World War II at a time when the entire population of Indian Reservation numbered approximately 500 residents, 36 in the Korean War, 60 in the Viet Nam War. Many of our ancestors paid the ultimate price and many others returned maimed and disabled. For the wars following Viet Nam there are no statistics available. The experience of participating in the military service during war time has had a deep lying effect on our lives as any Veteran will tell you. Many experiences are sometimes hard to forget. The time has come when we need to help and do what we can for our veterans and their dependents. Benefits available to this group of people are numerous and the interpretation and application for such can be very confusing to the layman. Our veterans are in dire need of an Indian Veteran Services Coordinator to guide them through the maze of paperwork and programs, forms and methods of application and sometimes just plain advice as to what is best for them. This person has to be experienced in interpretation and application of laws and regulations that govern federal benefits. This can only be done in a centralized office that would be available not only to the Penobscots but to all Indians in the State of Maine including indigenous groups that might be living here. The Penobscot Indian Nation is willing to host such an operation at our reservation, known as Indian Island. Our reservation is centrally located in comparison to other reservations. The coordinator of course would be responsible for monthly or bi-monthly visits to other reservations, a problem that would be resolved once an office has been established. Up until this time we have had people who have voluntarily assumed these responsibilities and operated out of their home. However, their knowledge of federal benefits was very limited and their activities were confined to arranging for military

honors at funerals and the obtaining of head stones. A very small benefit for the Penobscot Veteran when one thinks of the sacrifices made by them. The cost of such an operation has been estimated to be \$173,500.

Taken into consideration were burials, transportation (the Veterans Hospital is located at Togus a distance of almost 200 miles), financial assistance in cases of poverty and/or low-income and of course wages for a coordinator, office supplies and computer hardware/software and installation of such. Office space would be provided including electricity and heat by the Penobscot Indian Nation. All costs should be shared between VA and BIA-DOL. As spokesman for the Penobscot Indian Veteran and for other Indian Veterans in the State of Maine we hope that you will not let us down and after your careful consideration that your response to this proposal will be positive.

I thank you for your attention.

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PREPARED STATEMENT OF THE AMERICAN HIKING SOCIETY

Mr. Chairman and members of the Subcommittee, American Hiking Society represents 5,000 members and the 500,000 members of our 180 affiliated organizations. As the national voice for America's hikers, American Hiking Society promotes and protects foot trails and the hiking experience—and is a long time partner with the National Park Service (NPS), USDA Forest Service, and Bureau of Land Management (BLM). Demand for recreation is growing at a rapid pace; unfortunately, federal funding for trails and recreation is not growing nearly as fast and is now declining in many areas. In order for Americans to enjoy the outdoors, experience our rich natural heritage, and find healthy places to recreate, we need protected open spaces and well-maintained trails and other recreation facilities. We appreciate the Subcommittee's past support and urge you to support strong funding that will protect trails and recreation resources for future generations. American Hiking makes the following funding recommendations for fiscal year 2006:

National Park Service:

—Rivers, Trails and Conservation Assistance program: \$9.7 million

—National Trails System: \$10 million, plus \$1.25 million for GIS Network

USDA Forest Service:

—Recreation Management, Heritage and Wilderness: \$275 million

—Capital Improvement and Maintenance—Trails: \$80 million

Bureau of Land Management:

—Recreation Management: \$70 million

—National Landscape Conservation System: \$47 million

Land and Water Conservation Fund (LWCF):

—Stateside LWCF: \$300 million

—Federal LWCF: \$450 million

—Federal LWCF, Ice Age National Scenic Trail, National Park Service: \$4 million

—Federal LWCF, Pacific Crest National Scenic Trail, Forest Service: \$5 million

—Federal LWCF, Pacific Crest National Scenic Trail, BLM: \$1.5 million

Trails represent one of our nation's most valuable assets, bringing individuals and families outside for recreation, inspiration, and education, and providing healthy physical activities, alternatives for transportation, and economic development for local communities. Hiking is one of the nation's most popular outdoor activities—72 million Americans hike regularly or occasionally (Outdoor Industry Association Participation Study 2004). However, years of inadequate funding jeopardize the protection of natural and cultural resources and the experiences of millions of recreationists every year.

Federal policy encouraging partnerships, healthy lifestyles, and promoting volunteerism to protect and maintain our public lands warrants increased funding for trail and recreation programs across the land management agencies. Targeted funding increases coupled with increased on-the-ground recreation staff, including trail and volunteer coordinators, is essential to providing and preserving hiking and other outdoor recreation opportunities nationwide.

NPS, RIVERS, TRAILS, AND CONSERVATION ASSISTANCE PROGRAM (RTCA): \$9.7 MILLION

Through its RTCA program, the NPS implements its natural resource conservation and outdoor recreation mission in communities across America. RTCA yields enormous benefits to communities by fostering partnerships between federal, state, and local interests to restore rivers and wildlife habitat, develop trail and greenway networks, preserve open space, and revitalize communities—all contributing to improved quality of life and close-to-home recreation. RTCA is highly effective and cost efficient. In 2004 alone, NPS community projects reported more than 680 new trail

miles, more than 330 newly protected river miles, more than 22,700 acres of newly protected natural areas and more than \$40 million leveraged funding from other sources. RTCA plays a critical role in creating a nationwide network of parks and open spaces, supporting conservation partnerships, promoting volunteerism, and encouraging physical activity. The Administration's *HealthierUS* Initiative explicitly highlights RTCA for its efforts in promoting physical activity.

RTCA is a very successful and popular program but continues to lack adequate funding. Despite RTCA's accomplishments in coordinating upwards of 300 projects annually, RTCA funding has remained relatively stagnant during the last decade and lagged well behind the rate of inflation. The program's declining real budget and funding shortages result in limited staff positions in several regions, office closures, and reduced staff participation within communities and on-the-ground projects, diminishing essential services of this field-based technical assistance program. Flat funding results in an annual loss of approximately 4 positions, as personnel costs continue to rise through inflation and cost-of-living increases, while project costs must be cut back. We strongly urge you to fund RTCA at \$9.7 million to remedy the program's continued erosion, compensate for losses due to inflation, and enable the program to respond to growing needs and opportunities in communities throughout the country.

#### NPS, NATIONAL TRAILS SYSTEM: \$10 MILLION, PLUS \$1.25 MILLION FOR GIS NETWORK

The NPS administers eighteen of the twenty-four national scenic and historic trails, but only one—the Appalachian National Scenic Trail—is fully open for public use from end-to-end. For most of these trails, barely half of their congressionally authorized length and resources are protected and available for public use. A minimum of \$10 million in fiscal year 2006 is crucial for resource protection, trail maintenance, interpretation, and volunteer coordination and support for these long-distance trails. In addition, NPS requires \$1.25 million to continue work on a Geographic Information System network for the National Trails System to better administer, manage, and protect trail resources and landscapes. American Hiking thanks the Subcommittee for its support of the National Trails System and urges you to increase funding to help complete and protect these national treasures. American Hiking Society endorses the specific funding requests submitted by the Partnership for the National Trails System.

#### USDA FOREST SERVICE, RECREATION MANAGEMENT, HERITAGE AND WILDERNESS: \$275 MILLION

The current investment in Forest Service recreation falls far below national needs. The Forest Service estimates that recreation creates nearly 80 percent of the Gross Domestic Product generated from Forest Service land, yet only about 10 percent of the agency budget is dedicated to recreation. Additionally, our national forests include the vast majority of our nation's designated wilderness areas, where opportunities for primitive recreation are abundant. Flat funding, as proposed in the Administration's budget combined with cost of living increases and inflationary pressures, would result in a net decrease of \$6.2 million to the program's real budget. The Forest Service requires increased funding for recreation management to protect critical resources; upgrade recreation facilities; reduce the \$178 million recreation deferred maintenance backlog and address the \$136 million capital improvement needs for recreation sites and facilities; augment on-the-ground recreation staff; improve recreation resource analyses and planning; and more effectively utilize partnerships and volunteers.

#### FOREST SERVICE, CAPITAL IMPROVEMENT AND MAINTENANCE—TRAILS: \$80 MILLION

The Forest Service manages 133,000 miles of trails and requires increased funding to restore and maintain these thousands of trail miles; reduce the \$106 million trails maintenance backlog and address the \$99.2 million capital improvement construction needs for trails; improve trail infrastructure; prevent and mitigate resource impacts; and provide safe, high-quality recreational experiences for millions of hikers and other trail enthusiasts. The fiscal year 2006 Administration budget request would result in a net decrease of \$13.3 million, adversely affecting critical trail needs across the country. The Forest Service administers three national scenic trails and one national historic trail and manages parts of 16 other trails. We ask that you appropriate \$3.037 million as a separate budgetary item, in addition to the Administration request, specifically for the Continental Divide, Florida, and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail as outlined by the Partnership for the National Trails System.

Increased funding for recreation and trails is especially crucial to the agency's Recreation Agenda goal of placing trail and volunteer coordinators and/or recreation planners at each national forest and for each nationally designated area or trail. Despite the Forest Service's increased emphasis on recreation, we are very concerned that this conversation at the top is not translating to the ground. Very few national forests have even one full-time trails coordinator. Understaffing often results in volunteers performing essential functions instead of agency personnel or willing volunteers being turned away. And despite the number of hiking and other recreation organizations that offer to volunteer to build and maintain trails in national forests, very few forests have a volunteer coordinator. These efforts warrant an expanded commitment to trails and recreation funding, notably funding for recreation staff on the ground.

BLM, RECREATION MANAGEMENT: \$70 MILLION

The BLM supports a broad range of recreational opportunities within its 261 million acres yet continues to receive very limited funding for recreation. BLM is focusing on a comprehensive travel management approach to managing roads and trails and providing adequate and appropriate public access and has generated many collaborative partnerships for trails. However, the BLM faces daunting challenges with a growing deferred maintenance backlog for upkeep of more than 15,500 miles of trails. BLM is also facing critical inventory, planning and management challenges as it manages a staggering network of an estimated 600,000 mile of roads, trails, routes and ways available for public use—with 80,000 miles maintained and signed. Increased funding will support the development of travel management plans, interpretation projects, stewardship education, outreach projects, expansion of partnerships, and the protection of natural and cultural resources impacted by increased recreational use.

BLM, NATIONAL LANDSCAPE CONSERVATION SYSTEM (NLCS): \$47 MILLION

The NLCS protects and conserves the crown jewels of our public lands while providing a variety of benefits to the public, including diverse recreational opportunities. Additional funding is needed to support a range of activities in NLCS units including: environmental education, site interpretation, and developing more compatible land use ethics among public lands visitors; completing Resource Management Plans and initiating implementation actions for national monuments and conservation areas; monitoring of recreation use; management of portions of twelve national scenic and historic trails exceeding 5,200 miles; and developing and strengthening partnerships for visitor services, recreation, interpretation, stewardship education, and volunteers. We request \$4.169 million for national trail administration, management, and operations as outlined by the Partnership for the National Trails System.

LAND AND WATER CONSERVATION FUND (LWCF): \$300 MILLION STATESIDE; \$450 MILLION FEDERAL

Federal and state land managers use the LWCF to create parks, protect trails and open spaces, and preserve wilderness and wildlife habitat. Over the past decade, the majority of LWCF funds have been diverted to programs unrelated to the traditional LWCF uses such as land protection and recreation. While LWCF funds have been cut severely, the need for open space and recreation has soared. LWCF has helped communities acquire nearly seven million acres of parkland, water resources, and open space. LWCF has also underwritten the development of more than 37,000 state and local park and recreation projects. Authorized at \$900 million annually, LWCF is one of the most important conservation tools ever designed and is critical to the future protection of national trails. We request \$12.5 million in federal LWCF for the National Trails System. We vigorously oppose the Administration's recommendation to terminate the state assistance program and urge you to retain strong funding for this vital program.

Volunteer contributions are essential to trails and recreation programs, and American Hiking and its members and member clubs do their part every year to help maintain our nation's outstanding network of trails. However, an increase in volunteerism on public lands should not be perceived as an opportunity to cut agency budgets. In fact, the opposite is necessary. Creating a viable volunteer environment, leveraging willing human resources for burgeoning land managers' needs, requires additional investment in the infrastructure to support these volunteers. In return, volunteers can help reduce the enormous maintenance and construction backlogs in public agencies and be an educated, passionate voice for preserving and protecting our public lands.

On June 4, 2005, American Hiking will coordinate the thirteenth National Trails Day (NTD) to raise public awareness and appreciation for trails. Participants will gather at more than one thousand of NTD events nationwide. American Hiking Society members and outdoorspeople nationwide appreciate the Subcommittee's support for trail and recreation in the past and look forward to continued strong support. Thank you for considering our request.

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PREPARED STATEMENT OF THE AMERICAN HUMANE ASSOCIATION; AMERICAN HORSE DEFENSE FUND; AMERICAN HORSE PROTECTION ASSOCIATION; AMERICAN MUSTANG AND BURRO ASSOCIATION, INC.; AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS; AMERICAN WILD HORSE PRESERVATION CAMPAIGN; CENTER FOR ENVIRONMENTAL EDUCATION AND INFORMATION; FOREST GUARDIANS; FUND FOR ANIMALS; HUMANE SOCIETY OF THE UNITED STATES; INTERNATIONAL SOCIETY FOR THE PROTECTION OF MUSTANGS AND BURROS; LEAST RESISTANCE TRAINING CONCEPTS, INC.; RETURN TO FREEDOM; SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION; VAQUERO HERITAGE FOUNDATION; WILD HORSE AND BURRO COALITION; WILD HORSE AND BURRO FREEDOM ALLIANCE; AND WILD HORSE OBSERVERS ASSOCIATION

#### BUREAU OF LAND MANAGEMENT—WILD HORSE AND BURRO PROGRAM

In fiscal year 2001, the BLM received a \$9 million budget increase to halve the number of wild horses on the range within four years. Despite the agency's inability to meet this goal, large numbers of horses were removed from the range and this new level of funding was maintained through fiscal year 2004. Last year, the agency requested another increase of \$10.5 million (plus another \$2.3 million from Southern Nevada Public Land Management Act funds) so that it can once again begin mass roundups to drastically reduce the number of wild horses and burros on the range from a rough estimate of 35,000 to just 25,000 in a mere two to three years. Yet the agency has failed to conduct the most basic research to justify its proposed action. Despite a statutory requirement to base roundups on current data, the agency now spends less than 4 percent of its budget on range work, including monitoring and censusing of wild horse populations, even though such work is critical to the successful management of wild horse and burro populations and the range itself. In fact, most herd management areas haven't been censused for at least five years.

The removal of large numbers of horses creates a management crisis, witnessed by recent events including the slaughter of 41 wild mustangs. Although the BLM has recognized the shortage of good adoptive homes and has subsequently opened several long-term holding facilities where horses are pastured in large groups, it is unclear how the agency can sustain this plan of action; as more horses are rounded up, additional facilities are needed. For 2005, BLM intends to round up 9,800 wild horses and burros but estimates it will only be able to place 7,150 through the adoption program. Already the agency spends some 40 percent of its annual budget on caring for approximately 21,000 horses removed from the range, with nearly another 40 percent of the budget going to a marketing and adoption program that cannot successfully place the thousands of wild horses and burros rounded up annually.

Furthermore, the BLM has not submitted a biannual report regarding the status of the wild horse and burro program to Congress, as provided for in the 1971 Act. Astonishingly, 1997 was the last year the BLM presented a report to Congress, covering the years from 1992–1995. Since that time, the BLM has, for all intents and purposes, not been held accountable for its actions. Congress and the general public have been denied an opportunity to scrutinize the agency's management actions. Requesting additional funds to conduct massive and indiscriminate wild horse and burro removals to levels that jeopardize the welfare of these animals, while at the same time wasting hundreds of millions of taxpayer dollars on the environmentally destructive livestock grazing program, is nothing short of indefensible. The agency has apparently lost sight of its legal mandate to protect wild free-roaming horses and burros.

Most importantly, in light of the huge number of wild horses and burros being rounded up through emergency and scheduled gathers and the passage of a last-minute rider in the fiscal year 2005 omnibus spending package to allow for the slaughter of wild horses, it is imperative that the "no-kill" provision that has been attached to the Interior Appropriations bill for several years be included again in fiscal year 2006. The Wild Free-Roaming Horse and Burro Act's core principles have always reflected the understanding that Americans want these animals to remain free from slaughter or other forms of killing. Therefore, we join with the Doris Day

Animal League and other animal protection organizations in urging that the following language be incorporated into the bill:

“No appropriations made herein shall be available for the sale, slaughter or destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors.”

Recent reports that 41 horses went to slaughter directly after they were sold by BLM highlights the urgent need for this language.

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PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM  
REQUEST SUMMARY

On behalf of the nation's 35 Tribal Colleges and Universities (TCUs), which comprise the American Indian Higher Education Consortium (AIHEC), thank you for this opportunity to present our fiscal year 2006 Appropriations requests for the 27 colleges funded under the Tribally Controlled College or University Assistance Act (Tribal College Act), and for our two tribally controlled postsecondary vocational institutions. The U.S. Department of the Interior, Bureau of Indian Affairs, administers these programs. While AIHEC ultimately seeks full funding for all programs authorized under the Tribal College Act, we recognize that a focused approach with incremental increases is a realistic way to meet that goal. In fiscal year 2006, we seek a total of \$69.8 million for Tribal College Act programs. Our first priority within this request is to increase funding for the day-to-day operations of institutions funded under Titles I & II of the Act. For this we specifically request \$67.5 million; of which, \$49.8 million would be for Title I grants (funding 26 tribal colleges) and \$17.7 would be allocated for Title II (Diné College). This request is an increase of \$9 million for Title I grants and a \$6.6 million increase for Diné College over fiscal year 2005 levels and a total of \$24.275 million over the President's budget request. Additionally, we seek \$215,000 for the technical assistance contract under Sec. 105 of the Act, an increase of approximately \$100,000 over the President's request. These funds will help address continually emerging technical assistance needs and to gather and analyze data necessary to comply with the Congressional request to provide added information on TCUs; and \$2 million is requested for endowments under Title III of the Act. Also, we support \$4.5 million for United Tribes Technical College; and \$2.25 million for Crownpoint Institute of Technology; the fiscal year 2006 submitted budget once again recommends eliminating funding for these two tribally controlled postsecondary vocational institutions.

AIHEC's membership also includes three other TCUs funded under separate authorities within Interior Appropriations, namely: Haskell Indian Nations University; Southwestern Indian Polytechnic Institute; and The Institute of American Indian Arts. AIHEC supports the independently submitted requests for funding the institutional operations of these institutions.

BACKGROUND AND FUNDING DISPARITIES

In 1972, six tribally controlled colleges established AIHEC to provide a support network for member institutions. Today, AIHEC represents 35 Tribal Colleges and Universities in 13 states, created specifically to serve the higher education needs of American Indians. Annually, they serve approximately 30,000 full- and part-time students from over 250 Federally recognized tribes.

The vast majority of TCUs is accredited by independent, regional accreditation agencies and like all institutions of higher education, must undergo stringent performance reviews on a periodic basis to retain their accreditation status. In addition to college level programming, TCUs provide much-needed high school completion (GED), basic remediation, job training, college preparatory courses, and adult education. Tribal colleges fulfill additional roles within their respective communities functioning as community centers, libraries, tribal archives, career and business centers, economic development centers, public meeting places, and childcare centers. An underlying goal of TCUs is to improve the lives of students through higher education and to move American Indians toward self sufficiency.

Title I of the Tribal College Act authorizes funding for the basic institutional operating budget of one qualifying institution per federally recognized tribe based on a full-time American Indian student enrollment formula. The Tribal College Act was first funded in 1981. Today, 24 years later and notwithstanding an increase of \$6 million in fiscal year 2005, these colleges are operating at \$4,447 per full-time Indian student count (ISC), less than 75 percent of their authorized level of \$6,000 per ISC. If in 2005 the TCUs were to be fully funded at \$6,000 per ISC, with infla-

tion factored in, they would have the same buying power as their initial fiscal year 1981 appropriations, which was \$2,831 per ISC. This is not simply a matter of appropriations falling short of an authorization; it effectively impedes our institutions from having the necessary resources to grow their programs in response to the changing needs of their students and the communities they serve.

#### JUSTIFICATIONS

(a) *Tribal colleges provide critical access to vital postsecondary education opportunities.*—TCU reservations are located in remote areas, and their populations are among the poorest in the nation. On average, median household income levels are only about half of the level for the U.S. population as a whole. As a result, the cost of attending a mainstream institution, which for many reservation communities is several hours away, is prohibitively high, especially when tuition, travel, housing, textbooks, and other expenses are considered.

(b) *Tribal colleges are producing a new generation of highly trained American Indians as teachers, tribal government leaders, engineers, nurses, computer programmers, and other much-needed professionals.*—By teaching the job skills most in demand on their reservations, TCUs are laying a solid foundation for tribal economic growth, with benefits for surrounding communities. In contrast to the high rates of unemployment of reservations, 74 percent of recent tribal college graduates are employed and using the skills gained through their educational experiences. Many of these graduates are employed in “high need” occupational areas such as Head Start teachers, elementary and secondary school teachers, and nurses/health care providers. Just as important, the overwhelming majority of tribal college graduates remain in their tribal communities, applying their newly acquired skills and knowledge where they are most needed. Nearly one-half of the faculty and staff of Little Big Horn College in Crow Agency, Montana are graduates of the college.

(c) *Tribal colleges meet the strict standards of mainstream accreditation boards and offer top quality academic programs.*—Several TCUs have attained a ten-year accreditation term, the longest term granted to any higher education institution. The quality of the colleges’ programs is reflected in the high rates of satisfaction reported by their graduates: 91 percent of TCU graduates surveyed reported being very satisfied or satisfied with courses in their major field of study and with overall instruction.

(d) *Tribal college attendance increases educational success and serves as highly effective bridges to four-year postsecondary institutions.*—While most TCUs are two-year institutions offering certificates and associate degrees, their transfer function is significant. A survey of TCU graduates conducted by Harder + Company Community Research, San Francisco, CA for the American Indian College Fund, indicated that more than 80 percent of respondents who attended a mainstream college prior to enrolling at a tribal college did not finish the degree they were pursuing at the mainstream college. The rate of completion markedly improved for those who attended a tribal college prior to pursuing a degree at a mainstream institution. After completing tribal college coursework, less than half of respondents dropped out of mainstream college, and nearly 40 percent went on to obtain a bachelor’s degree. This suggests tribal colleges may have a profound impact on the persistence of American Indian students in pursuit of baccalaureate degrees. The overwhelming majority of respondents felt that their tribal college experience had prepared them well for further education and noted that it had a very positive impact on their personal and professional achievements.

#### SOME ADDITIONAL FACTS

(a) *Enrollment Gains & New TCUs.*—Compounding existing funding disparities is the fact that although the numbers of TCUs and students enrolled in them have dramatically increased since 1981, appropriations have increased at a disproportionately low rate. Since 1981, the number of colleges has increased from 6 to 27 and Indian student enrollments have risen a remarkable 348.2 percent. Over the last four years, the enrollments have increased an average of 7 percent. In fiscal year 2005, two newly established TCUs, Saginaw Chippewa Tribal College (Michigan) and Tohono O’odham Community College (Arizona) became eligible to receive funds under the Tribal College Act. White Earth Tribal and Community College (Minnesota) is expected to become eligible for funding in fiscal year 2006. TCUs are in many ways victims of their own successes. The dramatic enrollment increases, coupled with a growing number of tribally chartered colleges, have forced TCUs to slice an already inadequate pie into even smaller pieces. Our fiscal year 2006 request would fund operations at Title I colleges at approximately \$5,160 per ISC, which after 25 years is still short of the \$6,000 per ISC currently authorized by Congress.



(b) *The Absence of State Funds for Institutional Operations.*—While mainstream institutions have enjoyed a foundation of long-term stable state support, TCUs must rely on the Federal government for their operating funds. Because TCUs are located on Federal trust lands, states have no obligation to fund them even for the non-Indian state-resident students who account for approximately 20 percent of TCU enrollments. Yet, if these same students attended any other public institution in the state, the state would contribute basic operating funds to the institution.

(c) *Local Tax and Revenue Bases.*—TCUs cannot rely on local tax base revenue. Although tribes have the sovereign authority to tax, high reservation poverty rates, the trust status of reservation lands, and the lack of strong reservation economies hinder the creation of a reservation tax base. On reservations where tribal colleges are located, anywhere from 32.4 to 59.3 percent of the eligible workforce is unemployed. In comparison, the national unemployment rate for March 2005 is 5.2 percent.

(d) *Trust Responsibility.*—The emergence of tribal colleges is a direct result of the special relationship between American Indian tribes and the Federal government. TCUs are founded and chartered by their respective American Indian tribes, which hold a special legal relationship with the Federal government, actualized by more than 400 treaties, several Supreme Court decisions, prior Congressional action, and the ceding of more than one billion acres of land to the Federal government. Beyond the trust responsibility, the fact remains that TCUs are providing a public service that no other institutions of higher education are willing, or able, to provide by helping the Federal government fulfill its responsibility to the American people, particularly in rural America. Despite the fact that only students that are enrolled members of a Federally recognized Indian tribe are counted when determining the level of operating funds, TCUs have open enrollment policies and do not discriminate based on race or ethnicity. They are simply and effectively removing barriers that have long prevented equal access to higher education for reservation community residents.

#### THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2006

The President's fiscal year 2006 budget calls for a \$9,766,000 decrease in institutional operating funds, an 18.5 percent cut, to an already inadequate funding level and once again calls for the elimination funding for the two tribally chartered vocational colleges. Despite a \$5 million increase in the fiscal year 2005 Appropriation, the 26 colleges currently funded under Title I of the Act are receiving \$4,447 per full time Indian student (ISC), less than 75 percent of the authorized level of \$6,000 per ISC. The cut proposed in the President's fiscal year 2006 budget, if enacted, would cause some TCUs to no longer be able to meet minimum requirements for stable funding needed to pay overhead and the salaries of faculty and staff. This would not only jeopardize their accreditation status but would most likely force some of the colleges to close their doors.

#### AIHEC'S APPROPRIATIONS REQUEST FOR FISCAL YEAR 2006

We respectfully request a total appropriation of \$69.8 million for our Tribal College Act authorized programs. Our first priority within this request is to increase funding for the day-to-day operations of institutions funded under Titles I & II of the Act, for this we specifically request \$67.5 million; of which, \$49.8 million would be for Title I grants (funding 26 tribal colleges) and \$17.7 would be allocated for Title II (Diné College). This request is an increase of \$9 million for Title I grants and a \$6.6 million increase for Diné College over fiscal year 2005 levels and a total of \$24.275 million over the President's budget request. This increase would bring funding for the basic operations of the 26 Title I colleges to approximately \$5,160 per ISC, which is still short of the authorized amount of \$6,000 per ISC. Additionally, we seek: \$215,000 for the technical assistance contract under Sec. 105 of the Act, an increase of approximately \$100,000 over the President's request. These funds will help address ever-emerging technical assistance needs and to fund data collection and analysis necessary to comply with the Congressional requests for additional information on TCU operations, and \$2 million for endowments under Title III of the Act, an increase of \$1,030,000 over fiscal year 2005 and the President's budget request.

For our two tribally controlled vocational institutions, we support \$4.5 million for United Tribes Technical College; and \$2.25 million for Crownpoint Institute of Technology to restore and expand the funding for these programs that the fiscal year 2006 President's budget recommends eliminating.

## CONCLUSION

Tribal colleges provide higher education to thousands of American Indians who might otherwise not have access to such opportunities. The modest Federal investment in the Tribal Colleges and Universities has paid great dividends in terms of employment, education, and economic development. Continuation of this investment makes sound moral and fiscal sense. We very much need your help to sustain and grow our programs and achieve our missions.

Thank you for your past and continued support of the nation's Tribal Colleges and Universities and your consideration of our fiscal year 2006 appropriations requests.

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PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS

BUREAU OF LAND MANAGEMENT—WILD HORSE AND BURRO PROGRAM

On behalf of more than 74,000 supporters or the American Society for the Prevention of Cruelty to Animals (hereinafter "ASPCA"), I respectfully submit the following testimony regarding the Bureau of Land Management Wild Horse and Burro Program.

In fiscal year 2001, the BLM received a \$9 million budget increase to halve the number of wild horses on the range within four years. Despite the agency's inability to meet this goal, large numbers of horses were removed from the range and this new level of funding was maintained through fiscal year 2004. Last year, the agency requested another increase of \$10.5 million (plus another \$2.3 million from Southern Nevada Public Land Management Act funds) so that it can once again begin mass roundups to drastically reduce the number of wild horses and burros on the range from a rough estimate of 35,000 to just 25,000 in a mere two to three years. Yet the agency has failed to conduct the most basic research to justify its proposed action. Despite a statutory requirement to base roundups on current data, the agency now spends less than 4 percent of its budget on range work, including monitoring and censusing of wild horse populations, even though such work is critical to the successful management of wild horse and burro populations and the range itself. In fact, most herd management areas haven't been censused for at least five years.

The removal of large numbers of horses creates a management crisis, witnessed by recent events including the slaughter of 41 wild mustangs. Although the BLM has recognized the shortage of good adoptive homes and has subsequently opened several long-term holding facilities where horses are pastured in large groups, it is unclear how the agency can sustain this plan of action; as more horses are rounded up, additional facilities are needed. For 2005, BLM intends to round up 9,800 wild horses and burros but estimates it will only be able to place 7,150 through the adoption program. Already the agency spends some 40 percent of its annual budget on caring for approximately 21,000 horses removed from the range, with nearly another 40 percent of the budget going to a marketing and adoption program that cannot successfully place the thousands of wild horses and burros rounded up annually.

Furthermore, the BLM has not submitted a biannual report regarding the status of the wild horse and burro program to Congress, as provided for in the 1971 Act. Astonishingly, 1997 was the last year the BLM presented a report to Congress, covering the years from 1992–1995. Since that time, the BLM has, for all intents and purposes, not been held accountable for its actions. Congress and the general public have been denied an opportunity to scrutinize the agency's management actions. Requesting additional funds to conduct massive and indiscriminate wild horse and burro removals to levels that jeopardize the welfare of these animals, while at the same time wasting hundreds of millions of taxpayer dollars on the environmentally destructive livestock grazing program, is nothing short of indefensible. The agency has apparently lost sight of its legal mandate to protect wild free-roaming horses and burros.

Most importantly, in light of the huge number of wild horses and burros being rounded up through emergency and scheduled gathers and the passage of a last-minute rider in the fiscal year 2005 omnibus spending package to allow for the slaughter of wild horses, it is imperative that the "no-kill" provision that has been attached to the Interior Appropriations bill for several years be included again in fiscal year 2006. The Wild Free-Roaming Horse and Burro Act's core principles have always reflected the understanding that Americans want these animals to remain free from slaughter or other forms of killing. Therefore, we join with the Doris Day Animal League and other animal protection organizations in urging that the following language be incorporated into the bill:

“No appropriations made herein shall be available for the sale, slaughter or destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors.”

Recent reports that 41 horses went to slaughter directly after they were sold by BLM highlights the urgent need for this language.

Thank you for your time and consideration in this matter.

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PREPARED STATEMENT OF THE ASSINIBOINE AND SIOUX TRIBES OF THE FORT PECK  
INDIAN RESERVATION

The Fort Peck Tribes are pleased to present testimony on the fiscal year 2006 BIA and IHS Budget. The Tribes are disappointed that the Administration has proposed a \$108 million decrease in funding in BIA programs, including cuts to the Tribal Priority Allocation (TPA) account, and an \$86 million reduction in Indian Health Service Construction. We urge the Appropriators to reject these cuts and recognize the need to increase funding for critical tribal programs like law enforcement, resource management, child welfare and general assistance, community health nurses, and education.

BUREAU OF INDIAN AFFAIRS

*The Fort Peck Reservation Rural Water System*

The Tribes request \$200,000 for the operation, maintenance and replacement (OM&R) of the Fort Peck Reservation Water System. Congress enacted the Fort Peck Reservation Rural Water System Act of 2000, Public Law 106-382, to ensure safe and adequate municipal, rural and industrial water supply to all of the residents of the Fort Peck Indian Reservation. This law directs that funding for the operation of the water system is to come from the BIA. After several years of construction, the Tribes and the Bureau of Reclamation have completed the raw water intake facility and we now seek funding for the operation, maintenance and replacement costs for this facility as required by the Act. To date, the BIA has informed the Tribes it has no OM&R funds to award us for this project.

*Funding for Law Enforcement Programs*

In the fiscal year 2006 budget, the Administration has failed to request sufficient funds to fulfill its basic trust responsibility in the areas of health and safety. The Fort Peck Tribes are particularly concerned with the failure of the Administration to request any increase in law enforcement funding across Indian country. The only increase for this account was directed for the operation and maintenance of detention facilities. The Tribes are facing a crisis in direct law enforcement services, most particularly in the area of staffing. Tribal and BIA law enforcement departments are unable to compete with local and other federal law enforcement agencies in salary and benefits packages. Thus, even when a Tribe has the resources to hire an officer, it is unable to retain him once he is fully trained and certified.

This problem will become more acute for the Fort Peck Tribes at the end of this year because the Fort Peck Tribes will no longer be able to receive Department of Justice COPS hiring retention grants. Without this federal funding to support the Public Safety Department, the Fort Peck Department will go from a department of 47 to a department of 14 positions, with only 8 patrol officers, a loss of 70 percent of our law enforcement personnel. Eight officers cannot adequately patrol a 2 million acre Reservation with a population of over 11,000, with a high incidence of substance abuse and violent crimes. A survey of current officers has shown that they will not continue to work for the Tribes under conditions where they must patrol alone, respond to calls without backup, and work longer hours for the same or less pay.

To address this need, the Fort Peck Tribes request \$907,840 to be added to the Tribes' law enforcement base budget to ensure the continued staffing and operation of the Fort Peck Tribes Public Safety Department. Without these funds, the Fort Peck Tribal Council will reluctantly be forced to consider returning the operation and management of the law enforcement department, which the Tribes have operated under an Indian Self-Determination Act contract since 1995, back to the BIA.

*Tribal Priority Allocations*

The BIA's Tribal Priority Allocations system is intended to give tribes an additional measure of flexibility to determine how best to use available fund for local needs. However, the Administration has requested a \$9.3 million reduction (more than 10 percent) in this account. The basis for this reduction is remised on the need to reevaluate the TPA funding distribution formula and to divert funds for the Of-

fice of Special Trustee. We do not believe that there is a need to reevaluate the distribution formula or fund the OST at the expense of Tribal governments. We are certain that the needs in Indian Country far exceed the existing level of funding for the TPA account. The Administration is simply wrong in seeking a reduction in this account. Particularly alarming are proposed reductions for the welfare assistance and the Johnson O'Malley programs. Many tribal members or families who do not qualify for assistance under the Temporary Assistance to Needy Families (TANIFF) program receive welfare assistance (general assistance for unemployed individuals and child welfare assistance) from the Fort Peck Agency. The BIA follows the State of Montana's payment standards under TANIFF when making welfare assistance payments. Monthly rates just increased by \$30. The BIA estimates that the fiscal year 2006 monthly payment to Welfare Assistance clients on the Fort Peck Reservation will total \$48,000 or \$576,000 for the fiscal year. Unless Congress increases funding for this program of last resort, eligible tribal members in need of assistance will be turned away.

#### *Education*

##### *Higher Education*

We urge the Committee to support the education needs of Indian people. The President's budget requests \$27.4 million for scholarships for Indian students to attend accredited post-secondary schools. This cuts \$500,000 from the fiscal year 2005 enacted level. Obtaining a degree in higher education particularly for those individuals from families that have not previously sent anyone to college takes courage and often considerable personal sacrifice. We believe it is our responsibility to support the efforts of our people to attend college. The Tribes provide scholarship funds available through the BIA program. However, the current levels of funding are already far too low. For example, this year the Tribes have identified 230 students who are eligible for scholarship benefits for higher education but who cannot be served because of lack of funds. The BIA itself reports that the level of unmet requests for scholarships nationwide has increased steadily over the last three years.

##### *Tribal Colleges*

We oppose the Administration's proposal to cut tribal colleges funding by \$9.7 million. Tribal colleges are important institutions in the remote tribal communities that they serve. On our Reservation, we operate the Fort Peck Tribal College, a fully accredited institution, offering Associate Degrees in arts, science and applied sciences.

The College offers our students an opportunity to obtain a higher education without having to leave their homes and families, which can strain important cultural ties. The need for rural Tribal colleges is critical for many of our students, especially our single parent students, who need family members in close proximity so that they can assist in child care duties. These students do not have the resources or the network to attend school in Billings or Missoula. If it weren't for our Tribal College they would have no opportunity to improve their lives through higher education. We strongly urge the Subcommittee to increase funding for this vital program that is improving the lives of Indian people.

#### INDIAN HEALTH SERVICE

The President's budget requests for IHS services and construction is inadequate and will not keep pace with medical inflation rates. The health indicators in Indian communities consistently demonstrate higher infant mortality, teenage suicide, accident, alcoholism, diabetes, and heart disease rates among Indian people when compared with other minorities and the general American population. Yet money directed to health care, especially preventative care, such as routine checkups and health education, that clearly improve the quality of life and help avoid more expensive health care costs in the future, is sorely missing from the Administration's fiscal year 2006 budget requests. The Federal government has a trust responsibility reaffirmed through treaties, legislation, executive orders and policies by Congress and Presidential Administrations to provide health care to Native Americans, an obligation that was paid for by the Native people of this country with millions of acres of land, resources, and our traditional way of life. While the Administration has lost sight of this obligation, Congress cannot abdicate its responsibility to meet this well documented need. The costs that the United States will incur through lost business productivity, bankruptcies, and disrupted families by not funding preventive health care needs, and the costs that Indian tribes will incur through the unmet health needs of their members, will far exceed the funds Indian tribes will request the Congress to restore to the fiscal year 2006 budget.

### *Contract Health*

The Tribes' request a near doubling of our inadequate Contract Health budget to \$10.413 million to meet the growing health demands of our more than 11,000 tribal members. Far too many members are not referred out for contract health care services which their primary health care professionals determine are medically necessary. Members are told that no funds are available for contract health services. Patients requiring surgeries are mostly given prescriptions for pain instead of receiving contract health services. The need for Contract Health care funding only highlights the Tribes need for a fully staffed and equipped health facility capable of providing a full range of medical services. The United States boasts the best health care system in the world. The time for improved health care services in Indian country is long overdue.

### *Health Program Specialist*

The Tribes' IHS funding request is \$132,000 to continue funding four our Health Programs Specialist. This position was created by the Tribes in partnership with the IHS to better coordinate the delivery of preventative and treatment programs for the people of the Fort Peck Reservation. Specifically, the Health Programs Specialist coordinates Health and Wellness Promotion, Disease Prevention and Substance Abuse Treatment programs for all eligible Indian beneficiaries within the exterior boundaries of the Fort Peck Indian Reservation. For fiscal year 2005, the Indian Health Service was able to utilize carry-over funds to fund this position, although it was initially thought that the position would be funded by IHS Headquarters using Health Promotion and Disease Prevention (HP/DP) program funds. Unfortunately, we have now been informed by the IHS that if the Tribes want this program to continue then this position must be absorbed by our already underfunded Service Unit. We request that the Congress earmark an additional \$130,000 for the Verne E. Gibbs Service Unit to fund our Health Programs Specialist position. We do not understand why the IHS is currently advertising for a GS-14/15 Health System Administrator position for the Billings Area Office at a time when they claim to have no funds for the Tribes' Health Program Specialist position.

### *Health Facilities Needs*

The Fort Peck Tribes are shocked and dismayed by the Administration's \$86 million cut in IHS facilities construction. The Fort Peck Tribes are in dire need of an inpatient facility where our people can receive care and not have to be flown to Billings or Williston to receive adequate medical care. However, when we discussed this with Indian Health Service officials, we were told that the IHS will not consider the Fort Peck Reservation for a new in-patient facility. We further understand that it will take years to get on the list for a new facility and receive facilities funding. It is clear that there is extraordinary need for health facilities construction in Indian Country, which is mostly rural in character and in dire need of additional medical facilities. We urge the Congress to examine this matter and restore the IHS facilities construction budget. This is the first step toward addressing this unmet need in Indian Country. We request that the IHS Regional Office be instructed to undertake a needs assessment regarding the proposed facility. Thank you for allowing us to submit these comments.

### LEVEL OF DEPARTMENT OF INTERIOR BUREAU OF INDIANS AFFAIRS AND IHS FUNDING TO FORT PECK TRIBES

	Fiscal year	
	2005 current	2006 adequate
Bureau of Indian Affairs		
Fort Peck Agency:		
Aid to Tribal Gov't .....		\$36,800
Social Services .....	\$464,681	532,909
Welfare Assistance .....	289,325	576,000
Wildland Fire Protection .....	173,413	246,807
Economic Development .....	147,705	191,668
Probate .....	119,621	175,476
IBDP Grants .....		375,000
Other Rights Protection .....	159,661	205,027
Real Estate Services .....	707,780	989,524
Executive Direction .....	109,907	147,674
Administrative Services .....	282,800	359,510

LEVEL OF DEPARTMENT OF INTERIOR BUREAU OF INDIANS AFFAIRS AND IHS FUNDING TO FORT  
PECK TRIBES—Continued

	Fiscal year	
	2005 current	2006 adequate
Trust Services .....	49,640	90,652
Lease Compliance .....	67,650	105,682
Safety Management .....		1,800
Road Maintenance .....	422,000	447,000
Irrigation O&M .....		299,200
Facilities Op./Maintenance .....	441,460	494,376
Total .....	3,435,643	5,275,105
Indian Health Services		
Fort Peck service unit:		
Hospitals & Clinics .....	4,638,300	7,055,100
Direct Operation .....	6,700	9,100
Dental .....	551,500	1,529,800
Mental Health .....	452,400	767,100
Contract Health .....	5,671,900	10,413,000
Public Health Hearing .....	326,200	441,000
Maintenance & Improvements .....	59,100	215,100
Environmental Health .....	316,000	427,200
Facilities .....	325,900	521,700
Quarters .....	40,300	257,300
AIDS Prevention .....		135,200
Total .....	12,388,300	21,771,600
Tribal Public Law 93-638 BIA		
Contracts & grants:		
Assiniboine and Sioux Rural Water System O&M .....		200,000
Scholarships .....	326,817	345,000
Adult Voc. Tech./Direct Employment .....	277,893	304,000
Johnson O'Malley Program .....	157,945	172,000
Housing Improvement Program .....	222,950	5,179,000
Indian Child Welfare Act .....	66,915	96,915
Sexual Abuse Victim. Prog. ....	148,670	150,600
Water Resources .....	104,561	126,426
Fish & Wildlife .....	112,000	212,614
Tribal Courts .....	235,784	549,764
Law and Justice .....	1,104,299	1,782,372
Detention Services/juvenile services .....	1,782,372	2,140,764
Appraisals .....	50,782	50,782
Water Mang. Planning .....	105,600	105,600
Noxious weed eradication .....	9,630	25,000
Natural resources .....	284,466	333,252
Total .....	4,990,684	11,774,089
Tribal Public Law 93-638 IHS		
Contracts & grants:		
Tribal Health Specialist .....		130,000
Tribal Health Administration .....	140,255	147,268
Community Health Rep. ....	704,838	740,080
Environmental Health Program .....	396,426	101,247
Health Education .....	150,431	157,953
Nutritionist .....	70,476	115,475
Janitorial Services .....	121,550	127,627
Total .....	1,283,976	1,519,650
Spotted Bull Treatment Center:		
Alcohol Prevention/Education .....	783,667	928,566

LEVEL OF DEPARTMENT OF INTERIOR BUREAU OF INDIANS AFFAIRS AND IHS FUNDING TO FORT  
PECK TRIBES—Continued

	Fiscal year	
	2005 current	2006 adequate
Residential Aftercare .....	482,164	578,597
Youth Services Center .....	114,700	185,471
Total .....	1,380,531	1,692,634

PREPARED STATEMENT OF THE AWWA RESEARCH FOUNDATION

Thank you for the opportunity to present Congressional testimony on behalf of the Awwa Research Foundation (AwwaRF or Foundation) and to introduce the work of the Foundation to the Subcommittee on Interior and Related Agencies. For fiscal year 2006, AwwaRF requests your consideration for a \$5 million add-on for drinking water research in the EPA Science and Technology account. This request is made with deep appreciation for the past 18 years of support provided by Congress and with a firm understanding of the future challenges facing the water suppliers of the United States.

AwwaRF first requested assistance from the VA–HUD-Independent Agencies Committee 22 years ago and was awarded three separate \$1 million earmarks in fiscal year 1984, fiscal year 1985, and fiscal year 1986. AwwaRF matched the \$3 million in earmarks by securing funding from leading water utilities. Priority drinking water research was initiated, studies were conducted through a process of peer review and competitive awarding of research grants, and results transferred to the water supply and regulatory communities. That was the beginning of a voluntarily funded, industry-sponsored non-profit research effort that has become an organizational model for environmental research programs throughout the world.

Beginning in 1985, AwwaRF created the research subscription program in which water agencies voluntarily placed a research charge in their rate base. The donations from each participating utility are collectively used to fund priority research issues of the water supply community. To ensure the effective application of the funds, AwwaRF manages a comprehensive program of research identification, grant awards, and administration of research contractors. Hundreds of drinking water agencies throughout the United States and Canada have joined the research subscription program, making AwwaRF the most broad-based research program in the world. In 1991, AwwaRF approached the VA–HUD Committee once again, not for continued seed money, but with a request that the Congress help the water supply community leverage its own funding in order to address a growing list of drinking water research issues. The Committee has responded favorably to each of these requests from fiscal year 1992 through fiscal year 2005. During this same period, the number of AwwaRF subscribing utilities has increased to over 920 including water suppliers in England, Scotland, France, Australia, The Czech Republic, and South Korea. This underscores the global nature of drinking water research issues as well as the collaborative approach to solutions.

The success of this type of public-partnership approach is evident in the fact that since 1983, the VA–HUD Committee's \$52 million in earmarked add-ons to AwwaRF has been matched with \$232 million in industry funding and \$78 million in contributions. This means that the \$52 million in Congressional earmarks has been leveraged to a total value of \$362 million in drinking water research. In these difficult budgetary times, this kind of partnership is the best way to fund priority drinking water research.

For fiscal year 2006, we request an earmarked add-on of \$5 million, which is the same amount provided in fiscal year 2005. Among the priority research areas for fiscal year 2006 are:

WATER UTILITY SECURITY

Foresight allowed the Foundation to quickly provide new tools to water utilities when the emphasis on security greatly increased after September 11, 2001. The Foundation's methodology for vulnerability assessment quickly became the core of the drinking water community's preparedness planning and is currently being used to conduct evaluations mandated by Congress.

## NEW AND EMERGING CONTAMINANTS

As the science of water advances, so does the ability to detect contaminants in drinking water that may affect human health. Research information is critical to determine where and to what extent these contaminants occur, how effective current treatment methods are at removing them, and what new technologies may be needed. The Foundation often provides regulators and the water community with the first data available on new contaminants. The information is used to identify knowledge gaps and develop research plans. Newly emerging contaminants such as perchlorate, endocrine-disruption compounds, and MTBE are the focus of current Foundation studies including the AwwaRF/East Valley Water District perchlorate research partnership funded through the efforts of Congressman Jerry Lewis.

## INFRASTRUCTURE RENEWAL AND REPLACEMENT

A notable percentage of U.S. drinking water distribution systems are reaching the end of their reliable lifespan. The CBO estimates that the national cost to replace this infrastructure is from \$12 to \$20 billion per year over the next two decades. Research is critical for water utilities to make cost-effective, long-term capital planning decisions on how to renew, reuse, or replace their infrastructure. Fully 30 percent of the Foundation's annual budget has been allocated to infrastructure-related research. The findings are providing tools and technologies for cost-effective selection of pipe-renewal techniques, corrosion-control practices to prolong the life of existing pipes, and planning and asset management.

## NEW SOURCES OF WATER

Recurring drought and rapid population growth in regions where drinking water is already a scarce commodity has forced water utilities to look for new water sources to augment and sustain future water needs. The use of reclaimed wastewater, surface water and groundwater of poorer quality, seawater, and brackish water requires the development and application of new technologies. Foundation research is evaluating cost-effective and reliable techniques while considering energy costs and the responsible management of residues. Desalination and water sustainability are research areas of particular emphasis.

Over 850 research projects have been completed or are ongoing. The collective result has been an expansion of knowledge that is of great value to both the drinking water and the regulatory communities.

AwwaRF's initiatives began in the first term of President Reagan when budget deficits were threatening to choke off federal discretionary spending. These deficits continue for the fiscal year 2006 appropriations cycle when the post 9-11 world threatens to curtail discretionary spending. In fiscal year 2006, AwwaRF, supported by 22 years of credibility with Congressional and an internationally recognized program of drinking water research management, requests \$5 million in earmarked funding. AwwaRF has historically provided a funding leverage of almost \$6 for every \$1 of Congressional funds. In fiscal year 2005, this match was \$7.52 for every \$1 of Congressional add-on. It is expected that in fiscal year 2006 AwwaRF will continue or exceed the same level of participation by the water community.

We trust that the urgency of the drinking water research agenda, AwwaRF's international credibility, and the provision for a significant funding match, provides a very compelling argument in support of a fiscal year 2006 earmark of \$5 million.

## PREPARED STATEMENT OF CASS COUNTY, MINNESOTA

Mr. Chairman and Honorable Members of the Committee: I appreciate the opportunity to present this testimony in support of a \$1.2 million appropriation to the State of Minnesota from the Forest Legacy Program for the Brainerd Lakes conservation effort.

I have served in the position of Cass County Land Commissioner for 13 years. Cass County is a very fast growing rural county in North Central Minnesota. The population is increasing at an annual rate of approximately 5 percent a year. This is placing tremendous pressure on the quality of our natural environment. One of our main goals is to maintain the balance between growth and conservation of our natural resources for future generations.

The Brainerd Lakes area of North Central Minnesota, located just two hours north of the Twin Cities metropolitan area, is a popular four-season recreation spot for residents of Minneapolis and St. Paul as well as other visitors attracted by its lakes, streams, rivers and forests. Visitors to the area enjoy fishing, hunting, skiing, snow-shoeing, wildlife viewing, hiking, canoeing, and camping. In the summer, the



population of the Brainerd Lakes area quadruples in size, and the outstanding recreational opportunities offered throughout the region are fueling a growing demand for second home development.

As development pressures increase, efforts to protect the environmental, economic and social values of Minnesota's north woods are underway. This year, an opportunity exists to complete a conservation easement on 4,790 acres of privately owned forestland in the Brainerd Lakes region through the Forest Legacy Program. The Brainerd Lakes Forest Legacy project is a collaborative effort among the state of Minnesota, the Potlatch Corporation, and local community supporters to ensure the continued availability of these strategically located productive forestlands for multiple benefits. A conservation easement over these lands, which are immediately adjacent to Crow Wing and Pillsbury State Forests, will maintain the integrity of this productive forest, ensure public access and allow for sustainable forest management, thereby providing raw materials and jobs for the resource-based economy of northern Minnesota. The protection of these lands will also create a contiguous block of more than 22,000 acres of undeveloped forestland, one of the most significant remaining areas of open space in the Brainerd Lakes area.

The President's budget proposal for fiscal year 2006 includes the \$1.2 million needed for the Brainerd Lakes conservation effort. I urge you to support the full funding of this project in the fiscal year 2006 Interior and Related Agencies Appropriations bill.

Thank you for the opportunity to present this request.

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#### PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

Support for fiscal year 2006 Federal Funding of \$5.2 Million for the Department of the Interior—Bureau of Land Management to assist in the Colorado River Basin Salinity Control Program, with \$800,000 to be designated specifically to salinity control efforts.

Your support and leadership are needed in securing adequate fiscal year 2006 funding for the Department of the Interior-Bureau of Land Management with respect to the federal/state Colorado River Basin Salinity Control Program. This program is carried out as a part of ecosystem and watershed management pursuant to the Colorado River Basin Salinity Control Act (Public Law 93-320) and the Clean Water Act (Public Law 92-500).

As you are aware, the Bureau of Land Management (BLM) is the largest landowner in the Colorado River Basin. Due to geological conditions, much of the lands that are controlled and managed by the BLM are heavily laden with salt. Past management practices have led to human-induced and accelerated erosional processes from which soil and rocks, heavily laden with salt have been deposited in various stream beds or flood plains. As a result of this disposition, salt is dissolved into the Colorado River system causing water quality problems downstream.

Congress has charged federal agencies, including the BLM, to proceed with programs to control the salinity of the Colorado River. BLM's rangeland improvement programs can lead to some of the most cost-effective salinity measures available. These salinity control measures may be more cost-effective than some now being considered for implementation by the Bureau of Reclamation through its Basin-wide Program and by the U.S. Department of Agriculture through its Environmental Quality Incentives Program (EQIP). In keeping with the Congressional mandate to maximize the cost-effectiveness of the salinity control program, the Colorado River Board of California (Colorado River Board) is requesting that Congress appropriate and the administration allocate adequate funds to support BLM's portion of the Colorado River Basin Salinity Control Program.

The Colorado River Board, the state agency charged with protecting California's interests and rights in the water and power resources of the Colorado River System, requests that Congress appropriate \$5,200,000 of these funds in fiscal year 2006, to accomplish activities that BLM either has underway or should initiate in order to further control the concentrations of salinity of the Colorado River. It is particularly important that the BLM's line item for *Management of Lands and Renewal Resources* be adequately funded. The Colorado River Board urges the Subcommittee to specifically mark, \$800,000 from this line-item for the Colorado River Basin Salinity Control Program as has been the direction to BLM from the Subcommittee in past years.

The Colorado River Basin Salinity Control Forum (Forum), on behalf of the seven Colorado River Basin states, has submitted testimony to your Subcommittee. The Colorado River Board concurs in the fiscal year 2006 funding request and justification statements for BLM as set forth in the Forum's testimony.

California's Colorado River water users are presently suffering economic damages, estimated at \$330 million per year, due to the River's salinity, as stated in a recent report prepared by the Bureau of Reclamation and The Metropolitan Water District of Southern California. In addition, the federal government has made significant commitments to the Republic of Mexico and to the seven Colorado River Basin states with regard to the delivery of quality water to Mexico. In order for those commitments to be honored, it is essential that in fiscal year 2006 and in future fiscal years, that the Congress provide adequate funds to the Bureau of Land Management for its activities related to salinity control in the Colorado River Basin.

The Colorado River is, and will continue to be, a major and vital water resource to the 17 million residents of southern California. Preservation of its quality through an effective Salinity Control Program will avoid the additional economic damages to river users in California.

The Colorado River Board greatly appreciates your support of the federal/state Colorado River Basin Salinity Control Program and again asks for your assistance and leadership in securing adequate funding for this important program.

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PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE GRAND RONDE  
COMMUNITY OF OREGON

Mr. Chairman, Members of the Subcommittee, I am Jack Giffen, Jr., a Tribal Council Member of the Confederated Tribes of the Grand Ronde Community of Oregon. It is my pleasure to submit the Grand Ronde Tribe's following comments on the fiscal year 2006 Bureau of Indian Affairs and Indian Health Service appropriations items:

- Reject the BIA's proposed restructuring of its Operation of Indian Programs budget and direct the Agency to collaboratively work with Indian tribes on any revision to the budget format;
- Restore BIA Endangered Species funding in Non-Recurring Programs, Resources Management, to the \$3 million level established in fiscal year 2002, and
- In IHS, adjust the distribution of Contract Health Services funding among Regions to reflect the absence of any IHS inpatient care facilities within a Region. Our concerns are discussed below.

REJECT THE BIA'S PROPOSED RESTRUCTURING OF ITS OPERATION OF INDIAN PROGRAMS  
BUDGET AND DIRECT THE AGENCY TO COLLABORATIVELY WORK WITH INDIAN TRIBES  
ON ANY REVISION TO THE BUDGET FORMAT

Mr. Chairman, to the best of our knowledge, the Confederated Tribes of Grand Ronde have never received any specific information from the BIA regarding its proposal to "restructure" its Operation of Indian Programs budget. Nor have we ever been consulted on this proposal. Now we understand the BIA is asking your Subcommittee to approve this restructured budget. We urge you to reject that request and direct instead that the BIA enter into a collaborative effort with tribes to address perceived concerns with the current budget structure, and that the collaborators jointly report back to this Subcommittee with any recommendations for revising the budget structure.

We particularly urge you to reject the BIA's budget restructuring proposal because we understand such a restructured budget is intended to pave the way for the BIA changing individual tribal-specific budgets from stable historically based amounts to so-called "needs" based amounts, which would be fluid and uncertain. Such a proposal is tremendously complicated and controversial, with very serious and long-term consequences for tribal governments, our interaction with the BIA, the federal trust responsibility, and the unique government-to-government relationship between the tribes and the United States. Such a change must not be undertaken without the full understanding and participation of the tribes. After all, it is the tribes—not the Bureau—that are to be served by the budget.

RESTORE BIA ENDANGERED SPECIES FUNDING IN NON-RECURRING PROGRAMS, RE-  
SOURCE MANAGEMENT, TO THE \$3 MILLION LEVEL ESTABLISHED IN FISCAL YEAR 2002

Mr. Chairman, our Tribe is what is called a "restored" tribe. After a long, harsh, and unjust termination, the Confederated Tribes of Grand Ronde were restored to federal recognition in 1983. In 1988, with the help of Congress, we had a part of our old reservation land base restored to us—about 10,000 acres of forest in the Coast Range. Upon the restoration of this land to us, it was removed from BLM administration and taken into trust by the Bureau of Indian Affairs. At that time, the BIA had no identified funding for Endangered Species-related activities. In fiscal

year 1991, with the listing of the Northern Spotted Owl in the Pacific Northwest, our Tribe, along with others, worked with Congress to establish a separate \$1 million fund specifically for NSO ESA compliance activities on Northwest timber reservations. In fiscal year 1995 with the listing of the Marbled Murrelet, funding was increased to \$1.83 million. In fiscal year 1996, the ESA compliance funds for Northwest timber tribes was combined with funds to reintroduce the Black Footed Ferret on the Cheyenne River Sioux Reservation, and the \$2.6 million total was established as a separate Endangered Species program within BIA Non-Recurring Programs—Resources Management. In fiscal year 2002, the Administration proposed cutting the program to \$1.6 million, but Congress funded it at \$3 million. From then until fiscal year 2005, Administration requests and across-the-board cuts have diminished the program to about \$2.2 million.

For fiscal year 2006, the BIA is requesting that all the Endangered Species Program funding except \$210,000 be eliminated. Such a reduction will eliminate all funding for field-level ESA compliance activities in the Bureau of Indian Affairs. Nowhere else in the Agency's budget is any funding identified for the conduct of this federal mandate on a trust resource, the active harvest of which has long provided our Tribal government an important source of revenue. It is our understanding the BIA's fiscal year 2006 Budget Justification states that this reduction in funding "will curtail the ESA compliance effort for individual timber sales." We agree.

Today, about 6.1 million board feet of timber is harvested annually from our Reservation. All of this timber supports local non-Indian sawmills, and is becoming increasingly important as other sources of timber dry up and as imports place increasing pressure on domestic lumber prices. The elimination of field funding for the federal ESA mandate will have a significant impact on our ability to continue to supply timber into the local market. We will have to either curtail our harvest, or force the cost of the federal ESA mandate to be passed along to local mills. Neither is an attractive option for our Tribe or for the local timber economy.

We understand that the ESA budgets for other federal agencies are proposed to remain relatively robust for fiscal year 2006, including an \$80 million program for states and territories. We absolutely fail to understand how, at the same time, the BIA can propose to eliminate its only source of funding for federally-mandated on-the-ground ESA compliance for a forest resource it is obliged to manage in trust for the benefit of tribes, and upon which many tribes heavily rely for basic governmental revenues. It is unjust and unjustifiable, and we urge the Subcommittee to restore these funds.

IN IHS, ADJUST THE DISTRIBUTION OF CONTRACT HEALTH SERVICES FUNDING AMONG AREAS TO REFLECT THE ABSENCE OF ANY IHS INPATIENT CARE FACILITIES WITHIN AN AREA

Mr. Chairman, we request that your Subcommittee look into the equity of the Indian Health Service's distribution of its Contract Health Services funds among the IHS Areas with regard to the presence or absence in the various Areas of IHS-funded inpatient health facilities, and to direct an appropriate adjustment for those Areas that do not have any such facilities.

The IHS Portland Area, covering Oregon, Washington, and Idaho, does not have a single IHS inpatient facility. Almost all other Areas (California may be an exception) have numerous IHS inpatient facilities offering hundreds of beds, the availability of which provides an IHS-funded alternative to otherwise sending a Native American patient to a non-federal hospital. In the Portland Area, we do not have that option, and all our inpatient requirements must be taken care of at non-IHS hospitals and charged against our allocation of Contract Health Services funds. Almost all other IHS Areas have two IHS funded sources for inpatient care—IHS inpatient facilities and Contract Health Services, while the Portland Area has only one source that must cover all our needs—Contract Health Services. We do not believe the current CHS funding distribution methodology takes this disparity into account, and that, accordingly, the Portland Area is inequitably penalized.

Mr. Chairman, the ability of the IHS to provide reasonable health services to all Native Americans is in crisis and getting worse. With grossly insufficient resources, IHS personnel every day are making quick "life or limb" decisions that often turn people away to otherwise avoidable or untimely sickness or death. It is exactly because the IHS system is so overstressed that we urge your Subcommittee to make sure that the Portland Area, with no IHS inpatient facilities, is assured of receiving equitably adjusted participation in Contract Health Services funding. When every dollar is essential, it is essential that every dollar be equitably distributed. So, we ask you to review the CHS funding distribution methodology, and adjust it for Areas that do not have IHS funded inpatient facilities as an option.

That concludes my testimony. Thank you.

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PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE WARM SPRINGS  
RESERVATION OF OREGON

SUMMARY

Mr. Chairman, I am Ron Suppah, Chairman of the Confederated Tribes of the Warm Springs Reservation. I hereby present the following requests for the fiscal year 2006 BIA and IHS appropriations:

- Reject the BIA's proposed budget restructuring,
- Add \$2 million to BIA TPA Forestry designated for Warm Springs,
- Restore Endangered Species funding in Non-Recurring Programs to \$3,000,000,
- Restore BIA Water Management Planning & Pre-Development in Non-Recurring Programs and add \$500,000 for Warm Springs water settlement implementation,
- Add or earmark \$750,000 for Warm Springs in BIA Law Enforcement, Special Programs and Pooled Overhead,
- Add \$2.5 million to IHS Hospitals and Clinics to fulfill U.S. commitments in the Warm Springs IHS Joint Venture Agreement Pilot Project,
- Fully fund BIA's JOM and Welfare Assistance programs,
- Direct the OST to fully consult with tribes on the implementation of OST's trust reform initiatives and that BIA funds shall not be diverted to OST, and
- We request the Committee work with the NW Portland Area Indian Health Board to revise the Medicare Modernization Act to respect the unique legal relationship between Indian tribes and the federal government.

REJECT THE BIA'S PROPOSED RESTRUCTURING OF THE OPERATION OF INDIAN PROGRAMS  
BUDGET

In the early 1990s, Warm Springs participated in the Tribal-BIA Joint Task Force that developed the current BIA budget system, which the Interior Appropriations Subcommittees adopted in fiscal year 1993, to delineate those parts of the BIA budget subject to tribal control and eliminate opaque BIA budget practices. The current Tribal Budget System continues to be supported by the tribes.

The BIA now asserts that the budget format, which they helped develop and under which they have been operating for twelve years, is "confusing and complex," and is urging Congress to adopt a new budget format that has not been reviewed by the tribes, provides less detail, enables increased internal transfers without oversight or explanation, and is intended to facilitate a drastic and fundamental change in the sensitive fiscal relationship between tribes and the Bureau—changing from a stable and predictable historically based tribal budget to an uncertain, shifting and murky "needs" based tribal budget. These changes entirely favor the BIA and disadvantage the tribes. Yet the BIA budget is for the benefit of tribes, not the BIA. Especially when budgets are tight, the federal obligation should be to the tribes and not the BIA. There is no need to rush to adopt the BIA's proposal, and, in fact, there is great reason to proceed with caution and due deliberation. The BIA must explain to its "stakeholders" why it feels budget change is needed, and then work with the tribes, as it did in the early 1990s, to address whatever budget structure adjustments might be warranted. We urge the Subcommittee to direct the Bureau to do so.

ADD \$2 MILLION TO BIA TPA FORESTRY DESIGNATED FOR WARM SPRINGS

We request the addition of \$2 million to the Bureau of Indian Affairs Tribal Priority Allocation budget specifically for the BIA Forestry program at Warm Springs. The insufficiency of BIA Forestry funding has been documented many times. The IFMAT-II report found federal Indian forest funding to be strikingly below that for National Forests and recommending that BIA Forestry funding be increased by \$119 million annually to achieve funding parity. At Warm Springs, we recently were awarded a \$14 million judgment in a lawsuit against the BIA for timber mismanagement. Since 1996 when the Tribe received its initial ruling that the BIA had breached its trust responsibility, BIA Forestry funding has not increased on our Reservation, and in fact has declined from the early 1990s. The \$2 million increase for Warm Springs is necessary for BIA to fulfill its trust responsibility for our forest resource.

## RESTORE ENDANGERED SPECIES FUNDING IN NON-RECURRING PROGRAMS TO \$3,000,000

This budget item is the only BIA funding for northern spotted owl and marbled murrelet ESA compliance, and was initiated by Congress in fiscal year 1993. Since then, BIA has twice sought to significantly reduce it, but Congress has steadily maintained the program. Now, for fiscal year 2006, BIA requests only \$210,000, eliminating all field funding and acknowledging in the Justification the cut will “curtail the ESA compliance effort for individual timber sales.” For fiscal year 2006, we ask that the program be restored to at least the fiscal year 2002 level of \$3,000,000, because our commercial timber harvest and economy are so dependant on funding of this federal mandate.

## RESTORE BIA WATER MANAGEMENT PLANNING AND PRE-DEVELOPMENT IN NON-RECURRING PROGRAMS TO \$7.7 MILLION AND ADD OR EARMARK \$500,000 FOR WARM SPRINGS WATER SETTLEMENT IMPLEMENTATION STUDIES

We request \$500,000 be specifically provided for the Warm Springs Tribe to complete the studies and planning necessary for Water Management Planning and Pre-Development on the Reservation. In 1997, Warm Springs was the first tribe in many years to reach a negotiated water settlement with the United States and the State of Oregon. This settlement left most of the water in the Metolius and Deschutes Rivers and eliminated the need for the expensive water development legislation that normally accompanies tribal water settlements. But financial support is still needed for the Tribe to realize many of the benefits of the settlement, including development of a Comprehensive Warm Springs Water Development Plan, conduct of water quality modeling for the Deschutes River Basin, and examining potential energy development. Adding or designating \$500,000 will allow the Tribe to pursue these projects and will allow the Tribe and the United States to realize the benefits of settlement.

## ADD OR EARMARK \$750,000 FOR WARM SPRINGS IN BIA LAW ENFORCEMENT, SPECIAL PROGRAMS AND POOLED OVERHEAD

Beginning in the early 1960's, as our Tribe began to assert more jurisdiction and authority over Reservation law enforcement, the BIA responded by gradually transferring federal funding elsewhere. For fiscal year 2006, we note that the Administration has requested an increase of more than \$11 million for Law Enforcement programs. However, only \$2.5 million of that increase is for officers and equipment. Our concern is that this fiscal year 2006 requested increase will be directed to those locations where tribes have left law enforcement responsibility entirely up to the BIA. Tribes such as Warm Springs that have stepped forward to help share local law enforcement responsibilities must not be penalized for having done so, and should share in BIA LES funding increases.

The needs at Warm Springs are severe. Our tribal police force is extremely over-extended. Major crime has increased on our Reservation to the degree that the FBI has assigned an additional agent in the area. Additionally, the Warm Springs jail, designed and built by the BIA, fails to meet current federal requirements, especially for juvenile offenders. BIA must meet its responsibilities for the public safety of the Warm Springs Reservation. Accordingly, we request that the Congress direct an increase of \$750,000 in BIA Law Enforcement Services for Warm Springs.

## ADD \$2,500,000 TO IHS HOSPITALS AND CLINICS TO FULFILL U.S. COMMITMENTS IN THE WARM SPRINGS IHS JOINT VENTURE AGREEMENT PILOT PROJECT

From fiscal year 2002 through fiscal year 2005, the IHS budget increased by an average of 3.1 percent annually, but the real purchasing power of the IHS budget was diminished by an estimated \$886 million. The Northwest Portland Area Indian Health Board estimates that it will take an increase of \$371 million in fiscal year 2006 to maintain current program services levels nationwide. The 2.1 percent fiscal year 2006 increase amounts to only \$62.9 million. Moreover, after covering mandatory pay increases and new facilities staffing at \$27.4 million, only \$34.5 million is available for program increases. This increase will amount to less than 10 percent of the amount of purchasing power that will be lost to medical inflation. It is truly a “drop in the bucket”.

In 1993 the Congress, Indian Health Services (IHS) and the Warm Springs Tribe entered into an innovative “Joint Venture Pilot Project” where the Tribe financed and constructed a new clinic to federal standards and the Congress and IHS agreed to fully fund and staff an enhanced health care program in the new facility. However, IHS has failed to live up to its promise. And inadequately funded federal mandates have further diminished health services at Warm Springs. Due in part to

these financial pressures, the Portland Area Office has begun to renege on the terms of the JV agreement. We request a \$2.5 million increase in funding IHS Hospitals and Clinics to offset unfunded pay costs, to adjust for 12 percent medical inflation and to provide full direct services for Warm Springs.

#### FULLY FUND BIA'S JOM AND WELFARE ASSISTANCE PROGRAMS

The BIA's welfare assistance program cut of \$6.4 million, more than 7 percent, is cruel and short-sighted. The vaunted economic recovery has yet to arrive in Indian Country, and the 30 percent unemployment level at Warm Springs is more than twice the level in the second-most depressed county in rural Oregon.

Regarding JOM, in 1960 our Tribe entered into an agreement with the State and the local public school district to provide our students with a better K-12 education. Since that time, the BIA's Johnson O'Malley program has provided partial but critical funding to support our students in the local school district. The 53 percent cut to the JOM program will result in the loss of vital school programs. We urge the Committee to reject these cuts.

#### DIRECT THE OST TO FULLY CONSULT WITH TRIBES ON THE IMPLEMENTATION OF TRUST REFORM INITIATIVES AND THAT BIA FUNDS NOT BE DIVERTED TO OST

The Administration's budget includes a significant increase for trust management within the Office of the Special Trustee (OST). It appears that millions of dollars and significant FTE are being transferred from the field where they are most needed to centralized operations and bureaucracies in Albuquerque, NM and Washington, DC. It makes little sense to transfer funding, staff and management authority from the very resource management programs needing improvement in the name of "trust reform". Many of the trust management problems facing the BIA have resulted from inadequate systems and insufficient staff in the field necessary to properly fulfill their fiduciary trust duties. Funding levels for field staff functions including resources management, appraisals, inspections, enforcement, collections, title, records and probate must be increased and their administrative systems overhauled to improve fiduciary trust operations to the "most exacting" standards. Further, appropriate trust reform improvements must provide flexibility necessary to deal with the unique needs, circumstances and differences among tribes.

#### WE REQUEST THE COMMITTEE WORK WITH THE NW PORTLAND AREA INDIAN HEALTH BOARD TO REVISE THE MEDICARE MODERNIZATION ACT TO RESPECT THE UNIQUE LEGAL RELATIONSHIP BETWEEN INDIAN TRIBES AND THE FEDERAL GOVERNMENT

For the past several years the Committee has assumed that both IHS and tribes will increase Medicare and Medicaid collections and assumes an \$8.4 million increase in fiscal year 2006. However, these same programs are implementing changes that will result in the reduction of collections. The Medicare Modernization Act (MMA) will reduce IHS Medicare reimbursements, including reductions of up to \$25 million for prescription drugs provided through IHS and tribal programs. Also, the President has proposed \$48 billion in Medicaid cost savings over the next 10 years. The Oregon Health Plan is already reducing patient eligibility for the program as well as adding new payment restrictions, which will increase annual costs to the Tribes' Managed Care Program from \$600,000 to \$1.2 million annually. They will also reduce reimbursements for health care services provided by the WSSU. Rationing of certain health care services is the logical result if these cuts continue. Further compounding this problem is the Administration's departure from past policy that acknowledged the federal government's unique legal responsibilities to provide services to tribes and Indians. We urge the Committee to remind the Administration of the unique trust obligation to tribes and Indian people.

Mr. Chairman, that concludes the Warm Springs' fiscal year 2006 testimony on BIA and IHS.

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#### PREPARED STATEMENT OF THE DEFENDERS OF WILDLIFE

Defenders of Wildlife is a national non-profit organization dedicated to saving and restoring wildlife and wildlife habitat. We have substantial concerns about the administration's fiscal year 2006 budget and make recommendations in the following priority areas.

1. *Fish and Wildlife Service (FWS): Endangered Species (ESA) Program.*—Defenders urges a total of \$212 million for the four endangered species operations accounts, an increase of \$68.8 million over fiscal year 2005 allocated as follows: \$30 million for Listing, an increase of \$14 million; \$15 million for Candidate Conservation, an

increase of \$5.8 million; \$110 million for Recovery, an increase of \$40.1 million; and \$57 million for Consultation, an increase of \$8.9 million. In addition, we request revision of the annual earmark for California condor recovery through the Peregrine Fund to include funding for all three recovery areas, including central California, rather than only for Arizona and Southern California as has been done historically.

We are extremely disappointed that the President's \$140.1 million request cuts FWS ESA implementation by \$3 million or 2 percent below enacted. Although the administration contends that increases in grant programs will meet the same needs, these cannot substitute for mandated FWS obligations under the ESA. Recovery funding is substantially cut by nearly \$6 million or 10 percent even though FWS has said that more than 200 already listed species are on the verge of extinction, primarily due to insufficient recovery funds. The administration requested a \$2.2 million sorely needed increase in listing, but it is paid for by cuts in other endangered species accounts—and even that amount will not begin to cover the more than \$150 million listing backlog and at least 286 candidate species. While consultation does receive a modest increase, candidate conservation is cut by \$1 million, yet both of these programs are in need of significant increases. Demand for efforts to conserve the long list of candidates while they await protection far exceeds funding; increases are needed to fund projects with local stakeholders and partners. In addition, the number of projects reviewed under the Consultation program has increased from 40,000 in 1999 to more than 75,000 in 2004 and further increases are expected. Finally, the development and implementation of Habitat Conservation Plans (HCPs), which allow activities to proceed while still protecting species, continues to expand, with funding critically needed to help ensure timely and effective development and monitoring of 440 existing and nearly 300 new HCPs and to alleviate the two to four year waiting period for new HCP applications.

2. *Fish and Wildlife Service: National Wildlife Refuge System Operations and Maintenance.*—Defenders and the Cooperative Alliance for Refuge Enhancement, a diverse coalition of 21 conservation, recreation and scientific organizations, are requesting an fiscal year 2006 increase of \$16 million over enacted for a total of \$397 million. We greatly appreciate the subcommittee's support in the past and ask that it be continued. We further request that any increase provided be directed to the System's highest operational priorities rather than to the "Cooperative Conservation Initiative," as proposed in the president's budget, which is administered at the departmental level and does not address the most pressing operational needs. The National Wildlife Refuge System is our nation's only public lands system dedicated to wildlife conservation. Each year, 40 million people visit and enjoy wildlife refuges—there is a refuge in every state and within an hour's drive of most American cities. Despite its crucial role in the conservation of our nation's wildlife, the Refuge System has been crippled for years by severe funding shortfalls. Current information indicates that the full operations and maintenance backlog totals \$2.7 billion—the operations backlog is \$1.4 billion of which the highest priority needs total \$290 million, while the maintenance backlog is \$1.3 billion.

3. *Fish and Wildlife Service: Multinational Species Conservation Fund (MNSCF).*—Defenders urges \$10.5 million, an increase of \$4.8 million over the fiscal year 2005 level for this small but highly successful program aimed at providing resources for on the ground conservation of endangered wildlife in foreign countries. This Fund uses small amounts of money appropriated by Congress to leverage a 3 to 1 match in private dollars for every government dollar. These dollars have funded anti-poaching patrols for rhinos in Indonesia and rebuilt wildlife reserves destroyed by war in the Congo. Despite this tremendous success and the already meager funding for these programs, however, the administration has proposed cutting the Fund by \$1.4 million, a damaging 25 percent reduction from last year. Defenders is also opposed to a proposal in the budget to place the Neotropical Migratory Bird Fund under the MNSCF, a move that will help further the administration's tendency to play budgetary shell games. Moreover, the two programs are administered through different FWS divisions, so it makes no sense to combine them.

4. *Fish and Wildlife Service: Wildlife Without Borders.*—Defenders urges a total of \$2.5 million, an increase of \$0.5 million over the 2005 level of \$2 million for Wildlife Without Borders. This is an important program that supports the Department of the Interior in meeting its obligations to conserve species of international concern around the globe. We are particularly concerned that a \$394,000 reduction proposed in the president's budget appears to eliminate most of the Mexican portion of the program which helps train indigenous people to care for the environment through agricultural methods that reduce economic dependency on their forests and lands thus protecting important habitat for species such as pronghorn sheep and monarch butterflies. This program is an important funding mechanism for trans-border work. It is especially important in light of increasing pressures on habitat from NAFTA-

stimulated development, growing Department of Homeland Security activities (fencing, lighting, vegetation removal, motorized access into remaining remote areas) and urbanization of the border region. Wildlife Without Borders supports win-win, collaborative, multi-party and entrepreneurial approaches to conservation.

*5. Bureau of Land Management (BLM): Sage Grouse and Range Improvement Fund.*—Defenders supports the \$7.6 million request in the president's budget for conservation of the sage grouse and other sagebrush dependent species. Fully funding the BLM's sage grouse conservation efforts is essential if the BLM National Sage Grouse Habitat Conservation Strategy, released in November of 2004, is going to have a chance at success. In light of the Fish and Wildlife Service's decision not to list the sage grouse under the ESA, BLM, as the largest manager of sage grouse habitat in the country, is now the primary responsible agency for sage grouse conservation. In addition, Defenders is concerned that the administration's failure to request an appropriation from the Range Improvement Fund to fund range improvement projects will result in direct conflict and competition with already under funded BLM wildlife programs through the Challenge Cost Share program. If not funded through the Range Improvement Fund, these projects will be forced to compete with legitimate wildlife conservation projects.

*6. Forest Service: Wildlife and Fisheries Programs.*—Defenders urges funding at no less than last year's level of \$134.7 million for the Wildlife and Fish Management account. The president's budget slashes this account by almost \$10 million, more than a 7.8 percent cut. The 193 million acre National Forest System is critically important to the conservation of wildlife, fish and their habitat—more than 425 species listed under the Endangered Species Act and an additional 3,200 at risk species occur on Forest Service lands. Fish and wildlife resources on our National Forests are important to people all across the nation—about 40 million visits per year are primarily for hunting, fishing or wildlife viewing. We also are concerned that funding for the Wildlife, Fish, Water and Air activity under the Forest Service Research and Development program appears to be substantially declining. Several years ago, the budget for Forest Service R&D was consolidated such that amounts for individual activities are no longer explicitly shown in the president's budget. Agency information shows that funding levels for Wildlife, Fish, Water and Air dropped from \$52 million in 2003 to \$39.9 million in 2004, nearly a 25 percent cut and were only at \$45.3 million for 2005 despite a steady increase in the R&D budget.

*7. Fish and Wildlife Service: Migratory Bird Programs.*—Defenders supports the President's request of \$41.6 million for Migratory Bird Management, an increase of nearly \$6.2 million over the fiscal year 2005 level, and we urge at least \$1 million over the fiscal year 2005 \$4 million level for the Neotropical Migratory Bird Conservation Act. As currently funded, these programs cannot fulfill their mandates to adequately monitor and plan for the conservation of 825 species of migratory birds, of which more than 750 species are non-game birds. Nearly 100 non-game birds are listed under the ESA and 131 species are on the FWS current list of Birds of Conservation Concern. Thus, over 25 percent of all U.S. migratory birds are in serious need of conservation to assure their long-term survival.

*8. Bureau of Indian Affairs: Native American Fish and Wildlife Society.*—Defenders supports an allocation of \$750,000 for the Native American Fish and Wildlife Society through the Bureau of Indian Affairs resources management account, an increase of \$282,000 over the static \$468,000 level allocated to the Society for many years. The Native American Fish and Wildlife Society is a national tribal organization incorporated in 1983 to develop a communications network for the exchange of information and management techniques to assist Native Americans with the conservation, protection and enhancement of their wildlife resources. Efforts on tribal lands are critical to the conservation of our nation's biodiversity and Defenders believes that the Society and its role will become increasingly important in this work.

*9. Conservation Trust Fund (CTF).*—Defenders urges full funding of the CTF (conservation spending category) at its dedicated fiscal year 2006 level of \$1.8 billion for the Interior appropriations subcommittee portion of the fund. Unfortunately, the President's budget cuts the fund by nearly a billion dollars or 52 percent below its dedicated fiscal year 2006 level. While we greatly appreciated the subcommittee's strong support for fully funding and maintaining the integrity of this historic dedicated fund during its first two years, we are dismayed that in subsequent years the subcommittee has backed away from its commitment. We understand that the subcommittee continues to be under substantial funding constraints not within its control, and we again will be working to generate congressional support for a 302(b) allocation sufficient to allow full funding for the CTF. Defenders continues to believe that establishment of the CTF was the greatest piece of conservation funding legislation enacted in our lifetimes and a commitment that must be kept.



*State and Tribal Wildlife Grants Program.*—Defenders and the more than 3,000 organizations nationwide in the Teaming With Wildlife Coalition request at least \$85 million, \$16 million above the 2005 level, for this important program for fiscal year 2006 under the CTF. Within this amount, we strongly support increases for the tribal portion of the program which provides crucial funding for wildlife projects and assessments to conserve the many declining species on 100 million acres of tribal lands. We are grateful for the subcommittee's support and while we appreciate the administration's requested increase of \$5 million, the amount still falls far below the need. This important program gives states desperately needed funding to develop and implement comprehensive conservation plans to protect declining species and their habitats before protection under the ESA is necessary. The key to the program's success in its ability ultimately to avert the need to list numerous species in the future is the planning process which requires states to produce a comprehensive wildlife conservation strategy by October 2005. We urge the Subcommittee to continue its oversight of this critical process.

*Land and Water Conservation Fund (LWCF).*—Defenders urges funding of at least \$450 million for LWCF under the CTF, \$194 million above the enacted level: \$350 million for federal LWCF and \$100 million for state LWCF. We further urge Congress to maintain the integrity of the LWCF and reject the administration's continued attempts to use it to fund other programs. Despite the administration claim that LWCF is funded at \$680 million, the total for true LWCF purposes is only \$132 million. Fifteen other important but non-LWCF programs are used to make up the difference. In particular, we urge inclusion of \$3 million for 2,500 acres in the Suwannee Wildlife Corridor in Florida between Osceola National Forest and Okefenokee National Wildlife Refuge and funding for acquisition in the Lower Rio Grande Valley National Wildlife Refuge in Texas which protects the highest diversity of birds in the National Wildlife Refuge System—lands planned for acquisition are jeopardized by rapidly increasing development and more than 40 willing sellers are available.

*Other Important Fish and Wildlife Service Grants.*—Defenders recommends \$90 million for the Cooperative Endangered Species Fund, \$10 million over the 2005 level and supports the request of \$40 million for Landowner Incentive Grants and \$10 million for Private Stewardship Grants under the CTF. Eighty per cent of habitat for more than half of listed species occurs on non-federal lands. The Cooperative Endangered Species Fund provides grants to states for conservation activities on non-federal lands both for listed and candidate species. Landowner Incentive and Private Stewardship Grants provide funding to states and private landowners for efforts to conserve species at risk on private lands. In addition to supporting the president's request, Defenders also supports allocation of \$6 million of the total \$40 million Landowner Incentive Program request to strengthen the technical capacity of the national network of state Natural Heritage Programs. By making a small proactive investment, Congress can strengthen the ability of the network to provide the empirical data needed to inform voluntary conservation efforts and natural resource decisions. This request would provide funding to each of the 50 states to improve their natural heritage information resources, and to NatureServe to ensure the national consistency and quality of these state-based data.

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#### PREPARED STATEMENT OF THE DORIS DAY ANIMAL LEAGUE

The Doris Day Animal League is a non-profit, member supported animal advocacy organization located in Washington, D.C. On behalf of our more than 350,000 members and supporters, we respectfully present to the subcommittee testimony pertinent to the Bureau of Land Management's Wild Horse and Burro Program.

In 1971, Congress charged the BLM with preserving America's wild horses and burros via passage of the Wild Free-Roaming Horse and Burro Act. The Act declares that "wild free-roaming horses and burros are living symbols of the historic and pioneer spirit of the West . . . [who] shall be protected from capture, branding, harassment or death." Further, they are to be considered as "an integral part of the natural system of the public lands." We are gravely concerned that the BLM is failing to fulfill this mandate.

In fiscal year 2001, the BLM received a \$9 million budget increase to halve the number of wild horses on the range within four years. Despite the agency's failure to meet this goal, large numbers of horses were removed from the range and this new level of funding was maintained through fiscal year 2004.

Last year, the agency requested another monumental increase of \$10.5 million (plus another \$2.3 million from Southern Nevada Public Land Management Act funds) so that it can once again conduct mass roundups to drastically reduce the

number of wild horses and burros on the range from an estimated 39,000 to 25,000 in just two to three years. Yet the agency has failed to conduct the most basic research to justify its proposed action. Despite a statutory requirement to base roundups on current data, the agency now spends just 3 percent of its budget on range work, including monitoring and censusing of wild horse populations, even though such work is critical to the successful management of wild horse and burro populations and the range itself. In fact, most herd management areas haven't been censused for at least four years.

The need for such basic field research cannot be over stressed. Multiple roundups in recent years brought in significantly fewer horses than had been anticipated. One explanation is the BLM's reliance on old data. Further, the agency operates on the premise that wild horses and burros have an annual population growth rate of 20–25 percent when the rate may be closer to 18 percent. The very real possibility exists that the agency may actually take the wild horse and burro population well below the arbitrary target Appropriate Management Level of 25,000 animals, simply because it doesn't actually know how many horses and burros roam the range today.

The removal of such huge numbers of horses also creates a management crisis. Although the BLM has recognized the shortage of good adoptive homes and has subsequently opened several long-term holding facilities where horses are pastured in large groups, it is unclear how the agency can sustain this plan of action; as more horses are rounded up, additional facilities are needed. Already the agency spends some 40 percent of its annual budget on caring for some 21,000 horses removed from the range, with nearly another 40 percent of the budget going to a marketing and adoption program that can never be expected to successfully place the thousands of wild horses and burros rounded up annually. Allowing these animals to be sold without limitation, as is now allowed via a recent amendment to the 1971 Act, is no answer either. The recent slaughter of dozens of mustangs sold under this new authority demonstrates this in the starkest of terms.

Ironically, while the government is spending millions to remove wild horses and burros from the range, it spends millions more to subsidize livestock grazing on public lands, a practice that has been cited by the General Accounting Office as being the primary cause of range degradation: "... the primary cause of degradation in rangeland resources is poorly managed domestic livestock (primarily cattle and sheep) grazing ... wild horses are vastly outnumbered on federal rangelands by domestic livestock ... ." (Rangeland Management: Improvements Needed in Federal Wild Horse Program, GAO, 1990). Despite some grazing reductions in recent years, domestic livestock still so dramatically outnumber wild horses on BLM land (the ratio is estimated to be 50:1) that the removal of tens of thousands of horses has not had a significant impact on the health of the range.

Most importantly, in light of the huge number of wild horses and burros being rounded up through emergency and scheduled gathers and the passage of the last-minute amendment in the fiscal year 2005 omnibus spending package to allow for the slaughter of wild horses, it is imperative that the "no-kill" provision that has been attached to the Interior Appropriations bill for several years now remain intact. The Wild Free-Roaming Horse and Burro Act's core principles have always reflected the understanding that Americans want wild horses and burros to remain free from slaughter or other forms of killing. Therefore, it is imperative that this following language be incorporated into the Interior Appropriations bill:

"No appropriations made herein shall be available for the slaughter or destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors."

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#### PREPARED STATEMENT OF THE ENDANGERED SPECIES COALITION

On behalf of the undersigned organizations and the millions of members we represent nationwide, we urge you to fully fund programs of the Endangered Species Act at the U.S. Fish and Wildlife Service at a level of no less than \$212 million for the fiscal year 2006 appropriations process.

The Endangered Species Act is a safety net for wildlife, plants and fish that are on the brink of extinction. This law successfully helped to bring back our nation's majestic symbol, the American Bald Eagle. We have a responsibility to future generations to protect endangered species and the special places they call home. However, for years, the Endangered Species Act has been under funded, making it difficult for the U.S. Fish and Wildlife Service experts to carry out their responsibilities under the Endangered Species Act.

The four Fish and Wildlife Service endangered species operating accounts are key to effective implementation of the Endangered Species Act, however, President Bush

requested a total of only \$140.1 million, a cut of \$3.1 million or 2 percent in his fiscal year 2006 budget. These important accounts should be funded at a level of no less than \$212 million for fiscal year 2006.

The undersigned organizations request the following funding increases for the U.S. Fish and Wildlife Service endangered species operating accounts:

#### LISTING

The listing line item funds the addition of species to the endangered and threatened species list and the designation of critical habitat. This line item has suffered years of chronic under funding. Due to the lack of resources, a backlog of listing decisions and critical habitat designations has built up over the years. There are a total of 286 species currently awaiting protection on the Candidate List. An astounding 65 species have been languishing without protection since 1975. The Fish and Wildlife Service has estimated a need of at least \$153 million to alleviate the backlog. The President's budget requested \$18.1 million. While this is an increase of \$2 million above 2005 enacted levels, it is still well below the actual need. To begin to address the backlog, Listing should be funded at no less than \$30 million for fiscal year 2006.

#### RECOVERY

While the Endangered Species Act has been extremely successful at preventing wildlife from going extinct, the purpose of the Endangered Species Act is to protect and recover endangered and threatened fish, plants and wildlife. The President's budget requested \$64.2 million for recovery, a cut of \$5.6 million, or nearly 10 percent, below last year's enacted levels. By turning its back on recovery funding, the Bush administration is setting the Endangered Species Act up for failure. The administration claims that the increases in the grant programs will benefit recovery. However, there are no assurances that funding provided through the grant programs will help the Fish and Wildlife Service meet its mandatory responsibilities under the Act to research, develop and implement recovery plans; to monitor the populations of listed species; or to oversee species recovery. The Fish and Wildlife Service has indicated that more than 200 currently listed species may be extremely close to extinction because of the lack of resources dedicated to recovery. Recovery should be funded at no less than \$110 million.

#### CONSULTATION

The consultation program is the "look before you leap" mechanism that the federal departments and agencies must go through in order to proceed with a federal project in areas where endangered and threatened species are located. This process reviews the impacts to species, while identifying alternatives and mitigation measures needed to ensure that the federal government is not driving species to extinction through its actions. It is an important part of the checks and balances system to ensure that endangered fish, wildlife, and plants are protected on the ground. Shortage of personnel in this program area causes delays of project reviews thus creating conflicts between agencies. The consultation budget also funds the Service's work with non-federal entities for permitting and development of Habitat Conservation Plans; lack of funding prevents the Fish and Wildlife Service from ensuring that these plans are properly developed, implemented and monitored. The President's budget requested \$49.4 million for consultation, an increase of approximately \$1 million over the fiscal year 2005 enacted amount. Consultation should be funded at no less than \$57 million.

#### CANDIDATE CONSERVATION

This program protects species before they are actually listed, thus in theory averting the need to ever list them at all. The theory fails to hold up when not enough money is provided to arrest the decline of candidate species. The President's budget request is \$8.3 million, a cut of \$1 million below last year's level. Candidate Conservation should be funded at no less than \$15 million.

The Endangered Species Act is a broadly supported and very successful law. Without the necessary funding, an increasing number of species will slip closer to the brink of extinction. We ask the members of the Appropriations Committee to fully fund the Endangered Species Act this year.

Abyss Marine Technologies, Hunstville, AL; Alaska Wilderness League, Washington, DC; American Bird Conservancy, Washington, DC; American Malacological Society, Wilmington, DE; American Rivers, Washington, DC; Animal Protection Institute, Sacramento, CA; Animal Protection Voters, Santa Fe, NM; Arizona Native

Plant Society, Tucson, AZ; Aveda, Minneapolis, MN; Black Bear Conservation Committee, Baton Rouge, LA; California Turtle and Tortoise Club, Van Nuys, CA; Californians for Radioactive Safeguards, Atherton, CA; Center for Biological Diversity, Tucson, AZ; Center for Native Ecosystems, Denver, CO; Colorado Wild, Durango, CO; Conservation Science Institute, Front Royal, VA; Conservation Havens LLC, Boulder, CO; Defenders of Wildlife, Washington, DC; Delaware-Otsego Audubon Society, Oneonta, NY; Endangered Habitats League, Los Angeles, CA; Endangered Species Coalition, Washington, DC; Environmental Commons, Gualala, CA; First Class Fitness, Inc., Hicksville, NY; Forest Guardians, Santa Fe, NM; Foundation for Global Sustainability, Knoxville, TN; Glen Canyon Institute, Salt Lake City, UT; Great Egg Harbor Watershed Association, Newtonville, NJ; Greendale Environmental Group, Greendale, WI; Green-Rock Audubon Society, Beloit, WI; Habitat Education Center, Madison, WI; High Country Citizens Alliance, Crested Butte, CO; Humane Education Network, Menlo Park, CA; The Humane Society of the United States, Washington, DC; Jumping Frog Research Institute, Angels Camp, CA; Kittatinny Group, Sierra Club, Kutztown, PA; Mass Audubon, Boston, MA; Maricopa Audubon Society, Tempe, AZ; National Audubon Society, Washington, DC; National Forest Protection Alliance, Missoula, MT; National Wildlife Federation, Washington, DC; Native Plant Conservation Campaign, San Francisco, CA; Natural Resources Defense Council, Washington, DC; New England Wild Flower Society, Framingham, MA; New Mexico Audubon Council, Los Alamos, NM; Northwest Ecosystem Alliance, Bellingham, WA; Ohio Valley Environmental Coalition, Huntington, WV; Pacific Green Party, Portland, OR; Predator Conservation Alliance, Bozeman, MT; Public Employees for Environmental Responsibility, Washington, DC; Puget Sound Urban Wildlife Photography Club, Issaquah, WA; The Rewilding Institute, Albuquerque, NM; Rogue Valley Audubon Society, Medford, OR; Sagebrush Sea Campaign, Chandler, AZ; Salem County Watershed Task Force, Woodstown, NJ; Southern Appalachian Biodiversity Project, Asheville, NC; Southern Maryland Audubon Society, Inc.; Waldorf, MD; Stanford Open Space Alliance, Stanford, CA; Students for the Environment and Animal Life, Barrington, IL; T&E, Inc.; Cortato, AZ; Tennessee Native Plant Society; Nashville, TN; Turtle Island Restoration Network, Forest Knolls, CA; U.S. Public Interest Research Group, Washington, DC; Western Nebraska Resources Council, Chandron, NE; Wild Virginia, Charlottesville, VA; and The Xerces Society for Invertebrate Conservation, Portland, OR.

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PREPARED STATEMENT OF FRIENDS OF BALCONES CANYONLANDS NATIONAL WILDLIFE REFUGE

Mr. Chairman and Honorable Members of the Subcommittee, my name is Heidi Wittenborn, President of Friends of Balcones Canyonlands National Wildlife Refuge, and on behalf of the Friends organization I would like to express my appreciation for this opportunity to submit our testimony. Friends urges you to appropriate \$1.9 million from the Land and Water Conservation Fund for the U.S. Fish and Wildlife Service to acquire a conservation easement for Balcones Canyonlands National Wildlife Refuge. The property to be protected is key Golden-cheeked Warbler habitat and would connect the two largest blocks of habitat on the Refuge, creating a continuous habitat corridor. Its acquisition would be a significant step towards the long range goal of completing the Refuge. Acting now is particularly important, as the window of time is closing rapidly as a result of urban expansion, and the opportunity for protecting the species is at risk.

Friends is a nonprofit, volunteer organization. Its mission is to support, complete, and enhance Balcones Canyonlands National Wildlife Refuge and its diverse ecology, and promote its use for recreational, educational, and scientific purposes. The organization's membership is drawn primarily from Central Texas communities situated near the Refuge.

Balcones Canyonlands Refuge is located in the Texas Hill Country northwest of Austin, Texas and resides in Burnet, Travis, and Williamson counties. The Refuge was formed in 1992 to conserve habitat of the endangered Golden-cheeked Warbler as a step towards recovery and eventual delisting of the species. In addition to the Golden-cheeked Warbler, the Refuge serves to protect the habitat of the endangered Black-capped Vireo and numerous other wildlife species.

State-sponsored biological studies show that to stabilize and sustain these endangered songbirds, Balcones Canyonlands needs a total of 46,000 acres of habitat. It presently has some 21,000 acres. The Refuge augments a similarly named Preserve in Austin, comprised of nearly 30,000 acres and operated by the City and Travis County. The two parts were established for the same purpose and together are intended to provide habitat needed to enable recovery of these species.

Balcones Canyonlands Refuge, although 13 years old, is not yet half complete. It is important to act now as time is a critical consideration in completing the Refuge. Because of the proximity of the Refuge to the Austin metropolitan area, urban expansion is a serious threat to habitat needed by the Refuge. There are already three real estate developments within the acquisition boundary of the Refuge.

This year, a conservation easement is available on the 623-acre Armstrong property, which contains a substantial amount of Golden-cheeked Warbler habitat, and on which this important bird has been sighted. Portions of the property also may be suitable for management of Black-capped Vireo habitat. The property is in a strategic location and will connect major segments of the Refuge, alleviate cumulative habitat fragmentation within the approved acquisition area of the Refuge, and preclude development and land uses that would be incompatible with the Refuge's objectives. It is anticipated that the conservation easement covering this segment of the Refuge could be acquired for \$1.9 million and that the transaction could be consummated within 6 months following appropriation of the needed funds.

In addition to the recovery of these endangered species, Balcones Canyonlands Refuge is a source of eco-tourism for the surrounding area. Over the longer term, the Balcones Refuge is expected to become a major draw for birders interested in viewing the endangered Warbler and Vireo, for which this area provides unique habitat. The Refuge has been described as one of the *Last Great Places* by the Nature Conservancy and as an "Important Bird Area" by two national conservation groups based on its "global importance" to the endangered Warbler and Vireo.

Also, Balcones Canyonlands offers Central Texas a variety of recreational opportunities compatible with wildlife protection. Once completed, Balcones Canyonlands will be a step towards providing additional accessible public outdoor areas, identified as a critical need in a recent study for Texas Parks and Wildlife.

For all of these reasons Friends of Balcones Canyonlands National Wildlife Refuge strongly recommends that you set aside \$1.9 million from the Land and Water Conservation Fund for Balcones Canyonlands Refuge for fiscal year 2006.

Thank you again for the opportunity to present this statement to the Subcommittee.

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PREPARED STATEMENT OF FRIENDS OF BIG SOUTH FORK NATIONAL RIVER AND  
RECREATION AREA, INC.

I want to thank you for the opportunity to submit this testimony on behalf of the Friends of Big South Fork National River and Recreation Area, Inc. The Friends of the Big South Fork is a non-profit group of interested citizens formed to support and promote the Big South Fork National River and Recreation Area by raising funds to preserve, restore and enhance the park's natural and cultural resources, to provide improved services and facilities for visitors, to increase public awareness and support of the park and to enhance educational and interpretive activities, thus increasing public appreciation, understanding and protection of the park. The Friends recognize the Park as both a National Treasure and one of our most important Local Resources. We Proactively Assist the National Park Service in protecting, preserving and interpreting this National Resource, and particularly in educating the public to the many resources it offers. We are requesting in Priority form for the Big South Fork NRRRA, \$4,458,300 and for the Obed Wild and Scenic River \$3,174,000.

The following are two needs we have in the region in the process of fulfilling our boundaries for Big South Fork National River and Recreation Area and Obed Wild and Scenic River. It is important to this region and the Cumberland Plateau to fully fund these land acquisitions.

LAND ACQUISITION FOR BIG SOUTH FORK NRRRA

There are approximately 5,900 acres of privately held property within the authorized boundary of the Big South Fork NRRRA (125,000 acres). One parcel of 242.6 acres has already been subdivided for development and is a threat to the gorge. A second parcel of 404 acres (approximately 90 acres of which fronts the gorge) is currently being developed by the property owner who says that he intends to develop all the way down to the gorge. A group of concerned organizations approached the landowner about buying a portion of the property to buffer the creek but he said it was all or nothing and wanted \$1 million for the parcel.

BISO submitted two NPS LARS for fiscal year 2006 with the following requests:

*Priority 1*

Proposed number of tracts: 2

Proposed number of acres: 625  
 Estimated dollar amount: \$2,062,500

*Priority 2*

Proposed number of tracts: 6  
 Proposed number of acres: 726  
 Estimated dollar amount: \$2,395,800

LAND ACQUISITION FOR OBED WILD AND SCENIC RIVER

Currently one-third of the land within the park boundary is in private ownership. The fiscal year 2006 LARS request states, "Last year, one of the largest tracts of land in private ownership was sold to a private developer because the NPS did not have the funds to purchase the land. This developer plans to subdivide the tract for home sites. This tract of just under 200 acres included approximately 2 miles of river frontage, an old road that leads to the river, and several rock shelters. The park is concerned about the developer reopening the old road and providing access to the river that will diminish the wild values for which it was set aside."

*NPS LARS for fiscal year 2006*

Proposed number of tracts: 40 (all remaining)  
 Proposed number of acres: 1,397  
 Estimated Cost: \$3,174,000<sup>1</sup>

PREPARED STATEMENT OF THE FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

Mr. Chairman, Members of the Committee, I, Peter J. Defoe, Chairman of the Fond du Lac Band of Lake Superior Chippewa, would like to thank you for this opportunity to present testimony on fiscal year 2006 appropriations. The Fond du Lac Reservation was established by Treaty with the United States on September 30, 1854, and encompasses 100,000 acres of land in northeastern Minnesota. The Band provides employment or services to nearly 6,500 Indian people living within the service area of the Reservation. Because federal funds are essential to meet the needs of Indian people, the Fond du Lac Band urges Congress to restore or increase funding in the following areas:

*Bureau of Indian Affairs*

- Tribal Priority Allocation—restore full funding, including \$8.8 million for Johnson O'Malley
- Public Law 93-638 Pay Cost Increases
- Fond du Lac Law Enforcement and Resource Management Appropriation—\$10 million increase
- Circle of Flight—\$592,000
- Natural Resources—restore full funding to resource management programs
- Tribal Colleges and Universities—restore \$9.8 million
- School Construction and School Operations—restore full funding to education programs

*Environmental Protection Agency*

- Indian General Assistance Program (GAP)—restore \$5 million
- Clean Water Program—restore \$131.8 million
- State and Tribal Assistance Grants—restore \$643.9 million
- Clean Water State Revolving Fund—restore \$120 million

*Indian Health Services*

- Increase funding for Indian health care

BUREAU OF INDIAN AFFAIRS

The fiscal year 2006 BIA Budget proposes substantial cuts which would be a decrease of \$110 million from the fiscal year 2005 enacted levels. If implemented, these funding reductions would severely reduce our ability to provide essential services to our members, educate our children, care for our elderly and infirm and protect and manage our natural resources.

*Tribal Priority Allocations (TPA).*—We request that Congress restore full funding to the TPA program and specifically restore \$8.8 million to the Johnson O'Malley

<sup>1</sup>The park received \$750,000 for land acquisition in fiscal year 2004 which will reduce this total dollar amount as well as the number of tracts and acres remaining to be purchased once the money is expended.

program. TPA funds enable tribes to provide vital programs and services, including education, social services, law enforcement, courts, resource management, road maintenance and administrative services. Johnson O'Malley funding, which helps Indian children with tutoring, cultural enrichment and Native language education, is critical to tribal education programs. Nearly \$100 million was cut from the TPA in 1996, and this cut has never been restored. Proposed cuts for fiscal year 2006 include \$8.8 million to Johnson O'Malley, \$6.4 million to welfare assistance and \$431,000 for energy development programs. If implemented, these cuts would severely erode this irreplaceable source of funds for essential tribal government services. The proposed \$9.9 million fixed costs increase does not offset the loss in funds from the permanent, across-the-board reductions each year, and the targeted cuts in this year's budget.

*Public Law 93-638 Pay Cost.*—We ask Congress to restore full pay cost funding for all tribes in fiscal year 2006, and restore pay cost funding not received in fiscal year 2002–2005 through a special appropriations equitable adjustment. The only general increase tribes could count on each year was a cost of living pay increase, known as the 638 Pay Cost account. Tribes received only 75 percent of their 638 pay cost funding in fiscal year 2002, only 15 percent in fiscal year 2003 and about 30 percent in fiscal year 2004. As a result, tribes' core service funding is far less, in real terms, than nearly a decade ago. I strongly urge the Committee to restore full pay cost funding for all tribes in fiscal year 2006 and to consider restoring funds not received in past years.

*Fond du Lac Law Enforcement and Resource Management Program.*—We request a one-time appropriation of \$10 million to the Fond du Lac Resource Management Program for law enforcement and natural resource protection (\$1.5 million in base funding for court operations and law enforcement, \$1.5 million for resource management and conservation enforcement, and \$7 million for expansion of office space). We strongly support the Administration's request for additional funding under the Indian Country Law Enforcement Initiative but request that additional funds be made available to the Band.

In 1997, the Minnesota Supreme Court held that certain traffic regulations are "civil-regulatory" in nature and are unenforceable on the Reservation under Public Law 280. In order to fill this void, the Band established its own police force, using COPS, BIA and Tribal funds. In addition, the Band has worked with all local law enforcement agencies to establish a cross-deputization agreement that ensures maximum law enforcement protection for the Reservation. However, because of the short-term, limited financial resources available, there are significant unmet needs in this area, particularly in light of proposed reductions in COPS funding. Given this increased responsibility, the Band needs funding to expand the staff and its capabilities. With this in mind, we request that \$1.5 million be added to our base budget to continue to implement the enforcement systems for the Band.

The Band is also responsible for enforcing Band law in connection with members' exercise of hunting, fishing and gathering rights reserved under Treaties with the United States in 1837 and 1854. The courts, including the Supreme Court, have expressly reaffirmed the Band's hunting and fishing rights under these Treaties, which can be exercised over approximately 8 million acres in northern and central Minnesota. It is also essential that the Band continue to manage on-reservation resources in order to meet the demands of an increasing population. The on-reservation resources and the off-reservation Treaty rights are vitally important to Band members as they provide the foundation for our culture, subsistence, employment and recreation. Therefore, we seek an additional \$1.5 million in base funding for the Fond du Lac Resource Management Division to enable us to protect these resources for future generations. The funds for this program have not been increased since 1991. We also request \$7 million for the expansion of office space, as our current building is inadequate to house both law enforcement and natural resource management staff.

*Circle of Flight.*—We ask Congress to restore the Circle of Flight program to the BIA's fiscal year 2006 budget to at least the fiscal year 2005 level of \$592,000, and to consider providing the fiscal year 2006 requested amount of \$1.113 million. The Tribal Wetland & Waterfowl Enhancement Initiative (Circle of Flight) was again eliminated by the President in his fiscal year 2006 budget request. Circle of Flight has been one of Interior's most effective resource programs for many years. Since fiscal year 1991, Great Lakes tribes and our partners have restored or enhanced more than 66,000 wetland, grassland and native prairie acres. The program has invested more than \$6 million in habitat projects, and has leveraged these dollars for an additional \$18 million in federal, state, private and tribal funding, yielding an impressive match ratio of 3 to 1.

*Natural Resources.*—We support full restoration of funding for all natural resource programs including: \$452,000 to the Central Office Natural Resources Program, \$11.2 million to Non-Recurring Programs and \$2 million for Water Management Planning & Development.

*Tribal Colleges & Universities (TCU).*—We ask that the proposed decrease of \$9.8 million to the TCU program be restored. Tribally-controlled colleges are vitally important for Indian education because the success of Indian students at tribal colleges is much higher than at other colleges. In 1987, the Fond du Lac Tribal and Community College—a partnership between the Fond du Lac Band and the State of Minnesota—opened its doors. The College currently serves 492 Indian students, with a full-year equivalency of 269, a 135 percent increase from 1998. The proposed cut would reduce the grant amount available to individual colleges. In order to prevent closure of tribal colleges or loss of educational services, we ask Congress to fully fund this program. Funding for TCUs must be increased from fiscal year 2005 levels to account for inflation and increases in student enrollment. TCUs are significantly under-funded compared to state community colleges and desperately need funding for increased operations costs.

*Education: School Construction.*—We support restoration of the \$89.5 million proposed cut to education construction and the restoration of proposed cuts to other education programs. School construction and operation funding is essential for tribes to provide comprehensive educational services to children of all ages. The Fond du Lac Band was fortunate to be one of the few tribes in recent years to receive funding for new school construction and in 2002, the Band completed construction of the Fond du Lac Ojibwe School, which is an example of the successful use of tribal education construction funding.

*Education: School Operations.*—We support restoration of \$1.3 million to BIA school operations funding and full funding for Administrative Cost Grants. While a portion of the proposed budget would increase the Indian School Equalization Program (formula funds), which we fully support, that increase cannot be offset by other reductions in education funding as those other funds are essential for tribes to meet the requirements of the No Child Left Behind Act. We also recommend full funding of the Administrative Cost Grants at \$64 million to meet 100 percent of need. These funds provide critically needed administrative support for tribally-controlled schools similar to contract support costs. The BIA has acknowledged that currently it only addresses 70 percent of need for the Administrative Cost Grants.

#### ENVIRONMENTAL PROTECTION AGENCY

The Fond du Lac Environmental Program has been addressing a number of important environmental problems and projects on our Reservation. We support restoration of the following proposed cuts to the EPA budget, which would impact our ability to provide environmental services:

- Restore \$5 million to the Indian General Assistance Program (GAP), which is essential for development of tribal environmental programs and provides vital support for further expansion and improvement of the Band's program.
- Restore \$131.8 million to the Clean Water Program, which provides grants to tribes under Section 106 of the Clean Water Act to protect water quality and aquatic ecosystems. We use this funding for water quality monitoring, data collection, and protection and restoration of aquatic ecosystems.
- Restore \$643.9 million for State and Tribal Assistance Grants. This program is the source of funds for our air quality monitoring project.
- Restore \$120 million to the Clean Water State Revolving Fund. This program provides funds for and state and tribal wastewater treatment systems.

#### INDIAN HEALTH SERVICE

The proposed increase of \$72 million is inadequate, considering the substantial unmet need for health care in Indian country. The Band supports the efforts of all Indian tribes to receive 100 percent of the Level of Need Formula (LNF) so that it can address the serious and persistent health issues that confront its community. The Band serves about 5,500 Indian people at its clinics, but the current funding level meets only 38 percent of our health care funding needs. In addition, the Band requests an increase in funding for substance abuse and mental health programs in order to combat the growing methamphetamine problem on our Reservation.

#### SUPPORT FOR PROPOSED BUDGET INCREASES

Finally, the Band supports the proposed increases in the budget for the following programs: \$31.1 million for Fixed Costs associated with BIA programs; \$2 million for the new Leadership Academy; \$23 million in competitive grants to states and



tribes for environmental and health projects under the EPA State and Tribal Performance Fund; \$5 million for Tribal Wildlife Grants and \$18.3 million for the Landowner Incentive Program, FWS programs addressing the considerable need for managing shared natural resources. The Band has received grants from the FWS programs this year, which will be used for important fisheries, wildlife and wild rice management and restoration projects.

In conclusion, the needs at Fond du Lac and throughout Indian country remain massive. Preservation of current BIA funding is critical to maintain program levels. Your consideration of our additional funding requests will enable us to improve the delivery of services to Band members and help ensure that we enter the 21st Century with a renewed sense of hope. If we can provide any additional information, please do not hesitate to contact our counsel, Mary J. Pavel or Anne D. Noto at Sonosky, Chambers, Sachse, Endreson & Perry LLP, 1425 K Street NW, Ste. 600, Washington D.C. 20005; 202-682-0240(tel); 202-682-0249 (fax); mpavel@sonosky.com; anoto@sonosky.com. Miigwech. Thank you.

LETTER FROM THE GRAND COUNTY COUNCIL, GRAND COUNTY, UTAH

GRAND COUNTY COUNCIL,  
Moab, Utah, April 25, 2005.

Hon. CONRAD BURNS, *Chairman*,  
Hon. BYRON L. DORGAN, *Ranking*,  
*Senate Appropriations Subcommittee on Interior and Related Agencies, U.S. Senate,*  
*Washington, DC*

Dear SIRs: I am writing this letter on behalf of the Grand County Council expressing our support of our local Bureau of Land Management Moab Field Office's application for 2006 Land Water Conservation Funds in the amount of \$1.2 million.

The money would allow the BLM to purchase 14 acres of private lands in the Colorado River Special Recreation Management Area (SRMA) for expansion of BLM's Westwater Ranger Station. This expansion would allow the BLM to add additional parking, campsites and a leach field for wastewater.

The money would also be used to purchase a conversation easement of 530 acres of riverfront property located downstream of the Westwater Ranger Station. This easement would prevent development in a habitat for nesting bald eagles, four endangered fish species and for enhancement of wetland properties.

We strongly support this application and ask that you do all that you can to lobby for the Colorado River SRMA project on behalf of the BLM office in Grand County.

Thank you for consideration of this request.

Sincerely,

JERRY MCNEELY, *Chairman*,  
*Grand County Council*.

PREPARED STATEMENT OF THE GREAT LAKES INDIAN FISH AND WILDLIFE  
COMMISSION

AGENCIES—BUREAU OF INDIAN AFFAIRS AND ENVIRONMENTAL PROTECTION AGENCY

1. *BIA Treaty Rights Protection/Implementation*.—\$4.196 million (\$325,000 above fiscal year 2005 enacted).

*Agency/Program Line Item*.—Department of Interior, Bureau of Indian Affairs, Operation of Indian Programs, Other Recurring Programs, Resources Management, Wildlife and Parks, Rights Protection Implementation, Great Lakes Area Resources Management.<sup>1</sup>

*Funding Authorizations*.—Snyder Act, 25 U.S.C. § 13; Indian Self-Determination and Educational Assistance Act, 25 U.S.C. §§ 450f and 450h; and the treaties between the United States and GLIFWC's member Ojibwe Tribes, specifically Treaty of 1836, 7 Stat. 491, Treaty of 1837, 7 Stat. 536, Treaty of 1842, 7 Stat. 591, and Treaty of 1854, 10 Stat. 1109.<sup>2</sup>

2. *EPA Environmental Programs and Management*.—\$300,000 (fiscal year 2004 enacted).

<sup>1</sup>The requested BIA funds reflect GLIFWC's allocation of this line item that it shares with the 1854 Authority.

<sup>2</sup>The rights guaranteed by these treaties, and the associated tribal regulatory and management responsibilities, have been affirmed by various court decisions, including a 1999 U.S. Supreme Court case.

*Agency/Program Line Item.*—Environmental Protection Agency, Environmental Programs and Management (funneled through the EPA's Great Lakes National Program Office).

*Funding Authorizations.*—Clean Water Act, 33 U.S.C. § 1268(c); and treaties cited above.

#### GLIFWC'S GOAL—A SECURE FUNDING BASE TO FULFILL TREATY PURPOSES

As Congress has recognized for over 20 years, funding for GLIFWC's conservation, habitat protection, and law enforcement programs: (i) honors federal treaty obligations to eleven Ojibwe Tribes; and (ii) provides a wide range of associated public benefits. The lack of a secure funding base jeopardizes GLIFWC's ability to: (i) implement federal court orders and intergovernmental agreements governing the exercise of treaty-guaranteed hunting, fishing and gathering rights; and (ii) participate in cooperative management partnerships in Wisconsin, Michigan and Minnesota.

1. *BIA Treaty Rights Protection/Implementation.*—\$4.196 million. As its primary Indian Self-Determination and Educational Assistance Act funding base, GLIFWC seeks to:

- a. Restore \$100,000 of base funding that Congress consistently has provided since fiscal year 2002 but that the Administration has not proposed for fiscal year 2006;
- b. Restore \$75,000 of base funding for annual pay cost adjustments that the Administration has funded in previous years but has failed to include in its fiscal year 2006 budget proposal; and
- c. Provide \$150,000 in additional base funding to sustain enhancements in conservation law enforcement and emergency services capabilities.

2. *EPA Environmental Programs and Management.*—\$300,000. As an EPA funding base for its primary environmental program elements, GLIFWC seeks to:

- a. Provide \$189,700 for basic scientific/technical capabilities to: (i) continue participation in a number of Great Lakes initiatives (including the Binational Program to Restore and Protect Lake Superior, the Lake Superior Lakewide Management Plan (LaMP), and the Great Lakes Regional Collaboration); (ii) carry out habitat and human-health related research; and (iii) provide the requisite analysis and data to support participation in regional initiatives and to assess the impact of particular projects on tribal treaty rights.
- b. Provide \$110,300 to undertake three habitat and human health-related research projects regarding: (i) GLIFWC's fish consumption mercury advisory program; (ii) ceded territory sulfide mining site evaluation and monitoring; and (iii) a Lake Superior herring contaminant assessment.

#### CEDED TERRITORY TREATY RIGHTS—GLIFWC'S ROLE AND PROGRAMS

Established in 1984, GLIFWC is a natural resources management agency for its 11 member Ojibwe Tribes regarding their ceded territory (off-reservation) hunting, fishing and gathering treaty rights. Its mission is twofold:

- Ensure that its member Tribes are able to exercise their rights for the purposes of meeting subsistence, economic, cultural, medicinal, and spiritual needs; and
- Ensure a healthy, sustainable natural resource base that supports those rights.

GLIFWC is a "tribal organization" within the meaning of the Indian Self-Determination and Educational Assistance Act (Public Law 93-638). It is governed by a Constitution developed and ratified by its member Tribes and by a board comprised of the Chairs of those Tribes.

GLIFWC operates a comprehensive ceded territory hunting, fishing, and gathering rights protection/implementation program through its staff of biologists, scientists, technicians, conservation enforcement officers, policy specialists, and public information specialists.

Its activities include: (i) natural resource population assessments and studies; (ii) harvest monitoring and reporting; enforcement of tribal conservation codes in tribal courts; (iii) funding for tribal courts and tribal registration/permit stations; (iv) development of natural resource management plans and tribal regulations; (v) negotiation and implementation of agreements with state, federal and local agencies; (vi) invasive species eradication and control projects; (vii) biological and scientific research, including fish contaminant testing; and (viii) development and dissemination of public information materials.

#### JUSTIFICATION & HOW THE REQUESTED FUNDS WOULD BE USED

For over 20 years, Congress has recognized GLIFWC as a cost efficient agency that plays a necessary role in: (i) meeting specific federal treaty and statutory obligations toward GLIFWC's member Tribes; (ii) fulfilling conservation, habitat protection, and law enforcement functions required by federal court decisions affirming

the Tribes' treaty rights; (iii) effectively regulating harvests of natural resources shared among the treaty signatory Tribes; and (iv) serving as an active partner with state, federal and local governments, with educational institutions, and with conservation organizations and other non-profit agencies.

And, particularly relevant to the requested EPA funds, Tribal members rely upon treaty-protected natural resources for religious, cultural, medicinal, subsistence, and economic purposes. Their treaty rights mean little if contamination of these resources threatens their health, safety, and economy, or if the habitats supporting these resources are degraded.

With the requested stable funding base, GLIFWC will:

1. *Maintain its Core Capabilities to Conserve Natural Resources and to Regulate Treaty Harvests.*—As was the case with the BIA funding base provided by Congress for the past 4 years, GLIFWC would: (i) restore program cuts caused by chronic under-funding;<sup>3</sup> (ii) provide cost-of-living pay increases to staff;<sup>4</sup> and (iii) solidify law enforcement and emergency response infrastructure improvements that have been instituted with a combination of BIA and U.S. Department of Justice COPS funds.<sup>5</sup>

2. *Remain a Trusted Environmental Management Partner and Scientific Contributor in the Great Lakes Region.*—With the requested EPA funding base, GLIFWC would maintain its ability to bring a tribal perspective to the interjurisdictional mix of Great Lakes managers.<sup>6</sup> It also would use its scientific expertise to study issues and geographic areas that are important to its member Tribes but that others may not be examining.<sup>7</sup>

The lack of a secure, ongoing EPA funding base jeopardizes GLIFWC's role as a trusted environmental management partner and scientific contributor in the Great Lakes Region. The federal government's treaty obligations to GLIFWC's member Tribes compel more than the mere opportunity to compete for a diminishing patchwork of discretionary EPA grants. This is particularly true given important current initiatives such as the Great Lakes Regional Collaboration in which GLIFWC participates as a full partner.

3. *Maintain the Overall Public Benefits That Derive From its Programs.*—Over the years, GLIFWC has become a recognized and valued partner in natural resource management, in emergency services networks, and in providing accurate information to the public. Because of its institutional experience and staff expertise, GLIFWC provides continuity and stability in interagency relationships and among its member Tribes, and contributes to social stability in the context of ceded territory treaty rights issues.

Over the past 20 years, GLIFWC has built many partnerships that: (i) provide accurate information and data to counter social misconceptions about tribal treaty harvests and the status of ceded territory natural resources; (ii) maximize each partner's financial resources; (iii) avoid duplication of effort and costs; (iv) engender cooperation rather than competition; and (v) undertake projects and achieve public benefits that no one partner could accomplish alone.

<sup>3</sup>For example, the previously restored funding base was used to: (i) reinstitute fall juvenile walleye recruitment surveys to previous levels; (ii) restore tribal court and registration station funding cuts; (iii) restore Lake Superior lamprey control and whitefish assessment programs; (iv) restore GLIFWC's share in cooperative wildlife and wild rice enhancement projects; (v) replace aging equipment; (vi) meet expanding harvest monitoring needs; and (vii) meet uncontrollable increases in employee benefit costs.

<sup>4</sup>Since fiscal year 2002, the Administration has not included funding for GLIFWC employee cost of living pay adjustments in GLIFWC's base funding levels. Failure to include these adjustments in succeeding budgets negates their very purpose and results in recurring de facto budget cuts if the adjusted salaries are to be paid in subsequent years.

<sup>5</sup>GLIFWC has: (i) upgraded its patrol capabilities with new vehicles, boats, snowmobiles, and off-road vehicles; (ii) increased officer medical training and upgraded first aid equipment; (iii) upgraded its radio systems to be compatible with surrounding agencies; and (iv) established ongoing joint training with federal, state, and local agencies.

<sup>6</sup>GLIFWC currently participates on a regular basis in the Binational Program to Restore and Protect Lake Superior, International Joint Commission and SOLEC forums, the Great Lakes Regional Collaboration, and the development of agreements to regulate water diversions and withdrawals under the Great Lakes Charter, Annex 2001.

<sup>7</sup>With the requested fiscal year 2006 EPA funds, GLIFWC would: (i) continue its long-standing program to collect and test fish for mercury and to communicate testing results through health care providers and GIS maps; (ii) assess the impacts of contaminants leaking from a closed mine in Wisconsin; (iii) conduct water testing and baseline monitoring of heavy metals in the area of a proposed sulfide mine in Michigan's Upper Peninsula near pristine Lake Superior tributaries where native coaster brook trout spawn; and (iv) assess mercury, PCB and organochlorine levels in Lake Superior herring, the second most commercially-harvested fish in the United States waters of Lake Superior.

## OTHER RELATED APPROPRIATIONS CONCERNS

1. *BIA Contract Support Costs.*—GLIFWC asks Congress to direct the BIA to fully fund contract support costs, as GLIFWC has experienced a \$341,000 shortfall since 1995 despite its consistently low indirect cost rate of less than 15.25 percent and its current rate of 14.93 percent.

2. *BIA Circle of Flight Tribal Wetland & Waterfowl Initiative.*—Once again, Congress should fully fund this long-standing tribal contribution to the North American Waterfowl Management Plan that the Administration again proposes to eliminate.

## PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

Thank you for the opportunity to offer testimony to the Interior and Related Agencies Subcommittee on several funding items of importance to The Humane Society of the United States (HSUS) and its 8.6 million supporters nationwide. As the largest animal protection organization in the country, The HSUS urges the Committee to address these priority issues in the fiscal year 2006 budget.

## LAW ENFORCEMENT DIVISION OF THE FISH AND WILDLIFE SERVICE

After illegal drugs and arms, trade in wildlife parts is the third most lucrative smuggling enterprise in this country. New technology and a full complement of Special Agents are essential if law enforcement is to have any hope of effectively enforcing the nation's endangered species trade laws. We commend the Administration's \$1.295 million increase for the Law Enforcement Division in fiscal year 2006. The HSUS strongly supports an additional increase of \$8.3 million over the Administration's request for U.S. Fish and Wildlife Service Law Enforcement Operations and Maintenance, to better house and equip the Wildlife Forensics Laboratory and to hire and train additional new Special Agents for proper enforcement of the Captive Wildlife Safety Act.

The Captive Wildlife Safety Act, which was signed into law in December 2003, as Public Law 108–191, was passed unanimously in both the House and Senate and takes aim at the epidemic of private ownership of dangerous big cats as pets. We are disappointed that the Service is more than eight months late in promulgating the regulations necessary for enforcement of this important law. According to some estimates, there are up to 15,000 big cats kept as pets in the United States. A small increase of \$1.3 million over last year's level should be appropriated to hire and train one new Special Agent for each of the Fish and Wildlife Service's seven regions. Additional funds will allow for adequate enforcement of this new law.

Investigating sophisticated wildlife smuggling operations requires the latest in law enforcement technology. The Clark R. Bavin Wildlife Forensics Laboratory is capable of providing assistance in the prosecution of wildlife crimes by analyzing claws, teeth, feathers, tissue, blood, and other wildlife samples. The laboratory is indispensable in the vigorous enforcement of the nation's wildlife trade laws. The HSUS urges the Committee to appropriate \$7 million to enable completion of the renovation of the dermestid colony, and morphology, bio-level III containment, and firearms facilities, as well as new additions for pathology, an atrium that would include a 60-seat conference room for agent and inspector training and scientific conferences.

## MULTINATIONAL SPECIES CONSERVATION FUND

The HSUS joins a broad coalition of organizations in requesting an increase over the Administration's request for the Multinational Species Conservation Fund (MNSCF). The MNSCF is a fund established by Congress to benefit African and Asian elephants, rhinos, tigers, great apes, and neotropical migratory birds and marine turtles. Congress has been very supportive of these programs in the past. Unfortunately, the Administration's fiscal year 2006 request falls short of the funds necessary to carry out these valuable missions. We ask that you continue to support these highly threatened mammals and birds in fiscal year 2006 by appropriating \$2 million each for the African Elephant Conservation Fund, the Asian Elephant Conservation Fund, the Great Ape Conservation Fund, and the new Marine Turtle Fund. We further request \$2.5 million for the combined Rhinoceros and Tiger Conservation Fund, and \$5 million for the Neotropical Migratory Birds Conservation Fund, for a total of \$15.5 million.

While there are threats to the long-term survival of elephants, rhinos, tigers, great apes, and neotropical migratory birds, there have been improvements attributable to funds made available through the MNSCF. Grants made from the MNSCF

provide a stable funding source that has leveraged over four times as much in additional contributions from range states, non-governmental organizations, and others.

While The HSUS wholeheartedly supports increased funding for the MNSCF, we are concerned about past incidents and future opportunities for funds from these conservation programs to be allocated to promote trophy hunting, trade in animal parts, and other consumptive uses—including live capture for trade, captive breeding, and entertainment for public display industry—under the guise of conservation for these animals. Grants made to projects under the MNSCF must be consistent with the spirit of the law.

#### ENVIRONMENTAL PROTECTION AGENCY—OFFICE OF RESEARCH AND DEVELOPMENT

In 2000, the passage of the ICCVAM Authorization Act into Public Law 106–545 created a new paradigm for the field of regulatory toxicology, one that promotes chemical testing methods that are often faster, more economical than existing methods, as well as more responsive to the concerns of many members of the public about the continuing use of animals in toxicity testing. The new paradigm requires federal agencies to ensure that new and revised animal and alternative test methods be scientifically validated prior to recommending or requiring use by industry. An internationally agreed upon definition of validation is supported by the 15 federal regulatory and research agencies that compose the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM), including the EPA. The definition is: “the process by which the reliability and relevance of a procedure are established for a specific use.”

In recent years, thanks to Congressional leadership, efforts to provide specific funding for and prioritization of research, development and validation of non-animal and other alternative test methods have helped to guide EPA’s approach to this necessary thrust for sound and efficient science that also replaces, reduces or refines the use of animals in toxicity testing. However, recent dialogue with the EPA has demonstrated a lack of prioritization for funding validation studies of non-animal and other alternative methods. This is the equivalent of developing a new car that is intended to provide reduced emissions without assessing the validity of the reduced emissions claim, ensuring the car will never be marketed.

For several years, the enacted budget for the Office of Research and Development has hovered at approximately \$500 million, comprising just 9 percent of EPA’s total budget. Animal protection organizations have consistently supported a request for a mere 1–2 percent of this budget to go specifically for research, development and validation of non-animal, alternative test methods. Chairman Walsh secured a \$4 million appropriation first-ever directive for research, development and validation of non-animal test methods in the fiscal year 2002 budget for EPA. And while the animal protection community is greatly appreciative of this directive, we have yet to receive a detailed accounting of the expenditure of funds. The agency has stated that funding has been provided for bench science that may have future relevant applications. EPA contends it has used monies from the Science and Technology Account for the Office of Research and Development to fund research and development of non-animal and other alternative test methods; but the funding stops at the stage when a test method must be scientifically validated in order to be considered for incorporation into recommendations or requirements. Unfortunately this approach does little to support the final development or necessary validation studies for non-animal test methods with potential current application in reducing costs and increasing efficiency in existing EPA programs. Moreover, no detailed reporting on the actual expenditure of funds under the Computational Toxicology Program to promote alternative methods has ever been submitted to the Congress. Therefore, we join with the Doris Day Animal League and other animal protection groups in support of including the following report language in the appropriations bill:

“The Committee recognizes the EPA’s commitment to developing a Computational Toxicology Program to reduce the use of animal testing and the cost of such testing. It is the Committee’s expectation that, commensurate with Committee approval for full funding of the Computational Toxicology Program for the last several years, EPA demonstrate real progress not only in development of computational toxicology methods, but importantly, in validation of new and revised test methods, non-animal methods, and alternative methods so that these can be utilized in regulatory program activities. The Committee encourages EPA to develop and implement specific plans for validation studies of new and revised, non-animal and alternative methods for chemical screening and priority setting. The Committee requests that EPA submit an annual report detailing results of its Computational Toxicology program, to include a section on EPA’s overall activities and itemized expenditures focused specifically on development, standardization and validation of new, revised

test methods, non-animal methods, and alternative methods. The Committee further requests the EPA to report annually on how it is working through public/private partnerships to promote newer and more efficient safety testing schemes that will reduce animal use and enhance environmental and human safety.”

#### BUREAU OF LAND MANAGEMENT—WILD HORSE AND BURRO PROGRAM

In fiscal year 2001, the BLM received a \$9 million budget increase to halve the number of wild horses on the range within four years. Despite the agency's inability to meet this goal, large numbers of horses were removed from the range and this new level of funding was maintained through fiscal year 2004. Last year, the agency requested another increase of \$10.5 million (plus another \$2.3 million from Southern Nevada Public Land Management Act funds) so that it can once again begin mass roundups to drastically reduce the number of wild horses and burros on the range from an estimated 35,000 to 25,000 in just 2 to 3 years. Yet the agency has failed to conduct the most basic research to justify its proposed action. Despite a statutory requirement to base roundups on current data, the agency now spends less than 4 percent of its budget on range work, including monitoring and censusing of wild horse populations, even though such work is critical to the successful management of wild horse and burro populations and the range itself. In fact, most herd management areas haven't been censused for at least 5 years.

The removal of large numbers of horses creates a management crisis, as witnessed by recent events. Although the BLM has recognized the shortage of good adoptive homes and has subsequently opened several long-term holding facilities where horses are pastured in large groups, it is unclear how the agency can sustain this plan of action; as more horses are rounded up, additional facilities are needed. For 2005, BLM intends to round up 9,800 wild horses and burros but estimates it will only be able to place 7,150 through the adoption program. Already the agency spends some 40 percent of its annual budget on caring for approximately 21,000 horses removed from the range, with nearly another 40 percent of the budget going to a marketing and adoption program that cannot successfully place the thousands of wild horses and burros rounded up annually.

Furthermore, the BLM has not submitted a biannual report regarding the status of the wild horse and burro program to Congress, as provided for in the 1971 Act. Astonishingly, 1997 was the last year the BLM presented a report to Congress, covering the years from 1992–1995. Since that time, the BLM has, for all intents and purposes, not been held accountable for its actions. Congress and the general public have been denied an opportunity to scrutinize the agency's management actions. Requesting additional funds to conduct massive and indiscriminate wild horse and burro removals to levels that jeopardize the welfare of these animals, while at the same time wasting hundreds of millions of taxpayer dollars on the environmentally destructive livestock grazing program, is nothing short of indefensible. The agency has apparently lost sight of its legal mandate to protect wild free-roaming horses and burros.

Most importantly, in light of the huge number of wild horses and burros being rounded up through emergency and scheduled gathers and the passage of a last-minute rider in the fiscal year 2005 omnibus spending package to allow for the slaughter of wild horses, it is imperative that the “no-kill” provision that has been attached to the Interior Appropriations bill for several years be included again in fiscal year 2006. Recent reports that 41 horses went to slaughter immediately following the sale by the BLM underscore the need for this language. The Wild Free-Roaming Horse and Burro Act's core principles have always reflected the understanding that Americans want these animals to remain free from slaughter or other forms of killing. Therefore, we join with the Doris Day Animal League and other animal protection organizations in urging that the following language be incorporated into the bill:

“No appropriations made herein shall be available for the sale, slaughter or destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors.”

#### PROTECTION FOR WALRUSES

We urge this subcommittee to appropriate \$500,000 in fiscal year 2006 to fund much-needed research on the Pacific walrus. New promising methodologies for surveying walrus populations are being developed and require funding support. Walruses are targeted by Native hunters for subsistence, despite a paucity of data regarding their current population status or population structure. Hundreds of walruses are killed annually; in some years this number has climbed to as many as 7,000. Moreover, in some hunting villages, females and their calves are preferen-

tially killed, against the recommendation of the U.S. Fish and Wildlife Service and standard management practice. A portion of these funds could also be used to assist and improve the Walrus Harvest Monitor Project, which collects basic management data.

#### ENDANGERED SPECIES ACT

The four Fish and Wildlife Service endangered species operating accounts are key to effective implementation of the Endangered Species Act. However, President Bush requested a total of only \$140.1 million, a cut of \$3.1 million or 2 percent in his fiscal year 2006 budget. These important accounts should be funded at a level of no less than \$212 million for fiscal year 2006.

*Listing.*—This line item has suffered years of chronic under funding. Due to the lack of resources, a backlog of listing decisions and critical habitat designations has built up over the years. The Fish and Wildlife Service has estimated a need of at least \$153 million to alleviate the backlog. The President's budget requests an increase of \$2 million above fiscal year 2005 enacted levels, but it is still well below the actual need. To begin to address the backlog, Listing should be funded at no less than \$30 million for fiscal year 2006.

*Recovery.*—While the ESA has been extremely successful at preventing wildlife from going extinct, the purpose of the Act is to protect and recover endangered and threatened fish, plants and wildlife. The President's budget requested \$64.2 million for recovery, a cut of \$5.6 million, or nearly 10 percent below last year's enacted levels. By turning its back on recovery funding, the Bush administration is setting the Endangered Species Act up for failure. The Fish and Wildlife Service has indicated that more than 200 currently listed species may be extremely close to extinction because of the lack of resources dedicated to recovery. Recovery should be funded at no less than \$110 million.

*Consultation.*—The consultation program is the "look before you leap" mechanism that the federal departments and agencies must go through in order to proceed with a federal project in areas where endangered and threatened species are located. Shortage of personnel in this program area causes delays of project reviews and creates conflicts between agencies. The consultation budget also funds the Service's work with non-federal entities for permitting and development of Habitat Conservation Plans; lack of funding prevents the FWS from ensuring that these plans are properly developed, implemented and monitored. The President's budget requests an increase of approximately \$1 million for consultation, over fiscal year 2005. Consultation should be funded at no less than \$57 million.

*Candidate Conservation.*—This program protects species before they are actually listed, thus in theory averting the need to ever list them. The theory fails to hold up when not enough money is provided to arrest the decline of candidate species. The President's budget request is \$8.3 million, a cut of \$1 million below last year's level. Candidate Conservation should be funded at no less than \$15 million.

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#### PREPARED STATEMENT OF THE MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT

I am requesting your support and assistance in insuring continued funding for the Upper Colorado River Endangered Fish Recovery Program and the San Juan River Basin Recovery Implementation Program. These ongoing cooperative programs have the dual objectives of recovering four species of endangered fish while water use continues and water development proceeds in compliance with the Endangered Species Act of 1973, state law, and interstate compacts. Partners in the two programs are the States of New Mexico, Colorado, Utah, and Wyoming, Indian tribes, federal agencies and water, power and environmental interests. I respectfully request support and action by the Subcommittee that will provide the following:

An increase of \$691,000 in the fiscal year 2006 Recovery Element budget (Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element) allocated to "Colorado River fish recovery project" to allow U.S. Fish and Wildlife Service (FWS) Region 6 to meet its funding commitment to the Upper Colorado River Endangered Fish Recovery Program. This is the level of funding appropriated in fiscal years 2003, 2004, and 2005 for this program. These funds are needed for FWS direct participation in managing and implementing the Upper Colorado Program's actions, monitoring achievement of recovery goals, managing data associated with fish population abundance and sampling, evaluating stocking, and monitoring fish and habitat response to recovery actions.

The appropriation of \$437,000 in operation and maintenance funds (Resource Management Appropriation; Fisheries Activity; Hatchery Operations & Maintenance

Subactivity, Hatchery Operations Project) to support the ongoing operation of the FWS' Ouray National Fish Hatchery in Utah during fiscal year 2006.

An increase of \$211,000 in the "Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element" budget allocated to the "San Juan River Recovery Implementation Program." These funds are needed to support the FWS Recovery Program Coordinator and staff who are responsible for program management and support of all Recovery Program activities.

The enactment of Public Law 106-392, as amended by Public Law 107-375, authorized the Federal Government to provide up to \$46 million of cost sharing for these two ongoing recovery programs' remaining capital construction projects. Raising and stocking of the endangered fish produced at program hatchery facilities, restoring floodplain habitat and fish passage, regulating and supplying instream habitat flows, installing diversion canal screens and controlling nonnative fish populations are key components of the programs' ongoing capital construction projects. Subsection 3(c) of Public Law 106-392 authorizes the Secretary of the Interior to accept up to \$17 million of contributed funds from Colorado, Wyoming, Utah, and New Mexico, and to expend such contributed funds as if appropriated for these projects; and provides for an additional \$17 million to be contributed from revenues derived from the sale of Colorado River Storage Project (CRSP) hydroelectric power. This substantial non-federal cost-sharing funding demonstrates the strong commitment and effective partnerships embodied in both of these successful programs. The requested federal appropriations are critically important to these efforts moving forward.

The support of your Subcommittee in past years is greatly appreciated and has been a major factor in the success of these multi-state, multi-agency programs as they have progressed forward towards delisting the endangered fish species in the Upper Colorado and San Juan River Basins while necessary water use and development activities are occurring. I request the Subcommittee's assistance to ensure that the FWS is provided with adequate funding for these vitally important programs.

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#### PREPARED STATEMENT OF THE HIGHLANDS COALITION

On behalf of the Highlands Coalition, I would like to offer testimony in support of several important projects proposed for the fiscal year 2006 Interior and Related Agencies Appropriations bill that would significantly advance conservation of the four-state Highlands region. The Highlands region has now been the subject of two federal studies that have highlighted its importance for conservation of public drinking water supplies, wildlife habitat, and recreational opportunities. And last year Congress unanimously approved the Highlands Conservation Act recognizing the "national significance of the Highlands region to the United States." The projects described below would help assure that this region can continue to meet the needs of the more than 25 million Americans who live within an hour's drive of the Highlands.

The Highlands Coalition includes 117 national, regional, state and local organizations working to protect the more than 2 million-acre Highlands region that stretches from southeastern Pennsylvania through north-central New Jersey, the Hudson Valley of New York and into the Litchfield Hills of Connecticut. The Highlands Coalition was galvanized by the landmark regional study of the New York-New Jersey Highlands, published in 1992, that found the Highlands region to be of national significance due to the diversity and quality of its natural resources and landscape, all located so close to the nation's most densely populated area.

In 2002, the U.S. Forest Service published a detailed study update that reinforced the findings of the 1992 Highlands Study and recognized accelerating land use pressures on the region. The study update noted that the Highlands are the backyard and lifeblood of a metropolitan complex extending from Philadelphia through Newark and New York City and up to Hartford, supplying clean drinking water to over 15 million people, hosting 14 million recreational visits annually and providing habitat for 247 threatened and endangered species.

The study update further revealed that over 5,000 acres of land in the New York-New Jersey Highlands are lost each year to suburban sprawl and that the rate of loss of forests and wetlands in particular has quadrupled, threatening the quantity and quality of public drinking water supplies. Statistics indicate that if the status quo continues, the population of the region will increase by nearly 50 percent, impacting water quality in over 70 percent of Highlands watersheds and causing water demand to exceed supply in many areas. Wildlife habitat and recreational outlets in the Highlands will be similarly impacted if the current rate and pattern of development continues.



The Highlands Coalition supports several projects proposed for the fiscal year 2006 Interior and Related Agencies Appropriations bill that would help improve our understanding of the Highlands region and provide immediate protection for some of its most high value resource areas:

#### FOREST LEGACY PROGRAM

The Highlands Coalition supports three important Forest Legacy projects in the Highlands that have been put forward by the States of New Jersey, New York, and Connecticut.

The Sparta Mountain South tract in the northwestern section of the N.J. Highlands seeks \$3.9 million to extend the Sparta Mountain greenway in rural Sussex County. These 2,200 acres of rugged mountains and streams provide an important greenway corridor between Allamuchy State Park and the Sparta Mountain Wildlife Management Area. Sparta Mountain South provides habitat for many endangered species and neotropical migratory birds.

The Surprise Lake project in the New York Highlands seeks \$1 million to conserve 648 acres most notable for wonderful recreation values and watershed protection. The project lies in the middle of a network of protected lands that is being assembled across the Hudson Highlands, a scenic area accessible from New York City by public transit or automobile in less than an hour. The Surprise Lake project area features scenic vistas from high ridgelines, long distance hiking opportunities, and represents one of the highest quality mountain recreation opportunities within close range of the New York metropolitan area. The project area also protects the Breakneck Brook, a key tributary of the Hudson River, and provides valuable wildlife habitat.

The Skiff Mountain project, part of a contiguous network of 7,000 acres in Western Connecticut, seeks \$2.3 million to preserve 937 acres. Skiff Mountain is part of the Housatonic River Watershed, which extends from western Massachusetts to Long Island Sound. The mountain's northern uplands-transitional hardwoods forest contains Class A streams and habitat for black bear, bobcats, coyotes and neotropical songbirds. Skiff Mountain borders on the Appalachian Trail, and is ranked number 1 among Connecticut projects this year.

#### HIGHLANDS CONSERVATION ACT

The four states of the Highlands Coalition support the appropriation of \$10 million to preserve one Pennsylvania project, one New Jersey project, one New York parcel, and three smaller Connecticut properties, as listed below, plus \$1 million for technical support.

##### —Oley Hills, PA

Cost: \$2,800,000  
HCA Request: \$1,400,000  
Size: 1,133 acres

The Oley Hills consists of a grouping of properties in the Oley Hills core conservation area of the Reading Prong, the geologic formation that lies at the heart of the Pennsylvania Highlands. The Oley Hills project area boasts of three state-designated "exceptional value" streams—Pine Creek, Oysterville Creek, and Saucony Creek. These pristine waterways provide important water quality protection for the Schuylkill River and are the subjects of state-funded watershed protection plans.

##### —Wyanokie Highlands, NJ

Cost: \$7,700,000  
HCA Request: \$3,850,000  
Size: 1,288 acres (4 parcels)

The Wyanokie Highlands form the headwaters of Burnt Meadow and West Brooks that flow into North Jersey's Wanaque Reservoir, which provides drinking water for nearly two million NJ residents. The acquisition of these four parcels will help complete a critical greenway in the Wyanokies linking Long Pond Ironworks State Park with Norvin Green State Forest. These parcels are the largest portion of the missing link and include waterways of exceptional ecological significance, which drain into the Wanaque Reservoir.

##### —Arrow Park, NY

Cost: \$6,141,000  
HCA Request: \$3,000,000  
Size: 267 acres

Arrow Park is the last significant property buffering Sterling Forest State Park from residential and commercial development in the Town of Monroe. This Project provides habitat for threatened species, and protects wetlands critical to the health

of the watershed in and around Sterling Forest, which, in turn, provides drinking water to millions of residents of New York and New Jersey. Matching funds for this Project are anticipated from New York State and private organizations. Arrow Park will be included in Sterling Forest State Park and managed by the State of New York in accordance with the Sterling Forest Master Plan.

—Jones Mountain, CT  
 Cost: \$1,000,000  
 HCA Request: \$500,000  
 Size: 151 acres

This 151-acre forested mountain provides the visual backdrop for the Town of New Hartford that, along with the Farmington River, defines the character of the fast-developing community of New Hartford. The property consists of rugged old forest (primarily oak, black birch and red maple), meadow and intermittent streams. Preservation of this area is critical as half of the property drains into the East Mountain Brook, a tributary to the Farmington River, a Federally designated Wild and Scenic River. Any development would likely cause erosion that would impact the watershed.

—Sweeton Pasture Lot, CT  
 Cost: \$200,000  
 HCA Request: \$100,000  
 Size: 44 acres

The Sweeton Pasture Lot is largely forested. Its forest is primarily hardwood, with red oak, chestnut oak, black birch, white birch, beech, hickory, as well as some stands of eastern hemlock and white pine. The property also contains wetlands. The topography primarily slopes to the east and south. There are scenic views in several directions from a hilltop in the northwestern part of the property. Acquisition of this property will protect habitat for a number of migratory songbirds and large mammals, including black bear, fisher, coyote, and bobcat.

—Embree, CT  
 Cost: \$1,000,000  
 HCA Request: \$500,000  
 Size: 80 acres

The site is located off of Route 37 on the Sherman/New Milford border, and abuts several protected properties and non-subdividable lots. The property would create a large undisturbed corridor within a proposed trail system, and offer an ideal outdoor classroom for local schools, universities and environmental organizations. The project contains the highest point in the Town of Sherman and is the Town's priority parcel for acquisition. This forested property is steep with numerous rock outcrops, and contains an exceptionally large undisturbed (ca 3–4 acre) vernal pool. It is very likely that the vernal pool contains numerous species of reptiles and amphibians, many of which are declining precipitously in the northeastern United States. The site contains ideal habitat for Timber rattlesnake, bobcat and black bear as well as a suite of other mammals and neo-tropical migratory birds. Preservation of this site would be an important connection to already protected properties in Sherman.

The \$11 million includes \$1 million for technical support and research supplied by the U.S. Forest Service as specified in the HCA bill, which will be used to extend the 2002 USFS study update to Pennsylvania and Connecticut.

In conclusion, the Highlands Coalition is grateful for the considerable federal investment that has been made over the last decade to support conservation of the Highlands region. We would appreciate the subcommittee's support for the important projects outlined above to continue the fine partnership with states and local communities that is steadily securing valuable natural resources across the region.

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#### PREPARED STATEMENT OF THE HOOSIC RIVER WATERSHED ASSOCIATION

Mr. Chairman and Honorable Members of the Committee: I appreciate the opportunity to present this testimony in support of a \$2 million appropriation from the Land and Water Conservation Fund for the acquisition of Broad Brook watershed project in the Green Mountain National Forest.

The Hoosic River Watershed Association is a 501(c)3 non-profit citizens' group founded in 1986 and dedicated to the restoration, conservation and enjoyment of the Hoosic River and its watershed, through education, research, and advocacy. We envision a watershed that is ecologically sound and adds to the quality of life of its residents. The Broad Brook watershed is a subdivision of the Hoosic watershed. We strongly support its acquisition because this is an unusual opportunity to protect an

entire tributary drainage basin. The potential benefits go well beyond protecting habitat and water quality in the Broad Brook basin itself. Both published literature and the results of our own research in the Hoosic drainage have demonstrated that the type of land use in tributary basins has a significant impact on the water quality of the river mainstem. Thus the Hoosic's ability to support a healthy coldwater fish community depends in large part on the cool, clean water from tributaries that traverse forested landscapes. But it is unrealistic to expect that these relatively pristine and commercially desirable tributary basins will remain undeveloped in the coming years. As their landscapes shift from forest and field to higher-impact land uses, water quality and habitat will degrade throughout the watershed. Making the Broad Brook subwatershed a part of Green Mountain National Forest will be an important counter-measure against this trend.

The acquisition will provide other benefits as well. The Green Mountains of Vermont are one of the northeast region's most popular and heavily-visited areas, which each year draw millions of tourists attracted to its scenic beauty. The Green Mountains region contains outstanding natural resources such as wildlife habitat for black bear, deer, and neotropical songbirds, as well as extensive timber resources. The area boasts excellent trout streams and encompasses the watersheds that provide drinking water for many Vermont communities. The acquisition of properties in the Green Mountain National Forest protects recreational opportunities that have long been important to residents and visitors alike, such as camping, hiking, hunting, and cross-country skiing.

Available for acquisition and completion in fiscal year 2006 is the 3,921-acre Broad Brook watershed property, located in the southernmost portion of the forest just north of the Massachusetts border. For many years, the Massachusetts city of North Adams, which owns this parcel, used the Broad Brook watershed as a source of drinking water for city residents. However, several years ago the city ceased depending on Broad Brook for its water and is now interested in selling the property. Located within the boundaries of the Green Mountain NF in the towns of Pownal and Stamford, the Broad Brook property would be an outstanding addition to this forest, known for its excellent recreational opportunities and critical wildlife habitat.

The state of Vermont has mapped this parcel as being entirely within black bear production habitat, regions which support high densities of cub producing females. On the property there can be found a large and healthy population of the state threatened Large Whorled Pogonia (*Isotria verticillata*), and close to 7 miles of pristine headwater streams. A portion of the Appalachian National Scenic Trail, which in this part of Vermont coincides with the Long Trail, passes across the Broad Brook property. The tract is adjacent to other Forest Service ownership, the Stamford Meadows Wildlife Management Area—a state-owned sanctuary—as well as other conservation lands near the town of Pownal.

On November 2, 2004, the town of Pownal voted 2–1 in favor of purchase of the Broad Brook parcel by the GMNF. With that approval and with an additional \$2 million from the LWCF in fiscal year 2006, the USFS can move to complete this critical acquisition. The forest is also pursuing other high priority acquisitions totaling \$1.5 million, allowing for continued management of important wildlife species as well as ensuring public access to the Appalachian Trail and other recreation opportunities in this popular national forest.

Thank you for the opportunity to present this request.

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PREPARED STATEMENT OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE  
CULTURE AND ARTS DEVELOPMENT

SUMMARY OF FISCAL YEAR 2006 REQUEST: \$10.5 MILLION

IAIA's fiscal year 2006 federal budget request for operations, endowment, and matching funds for capital construction of a center for lifelong education are as follows:

[In millions of dollars]

	Amount
Fiscal Year 2006 Institutional Operations .....	6.5
Capital Construction Matching Funds to a W.K. Kellogg Foundation Challenge Grant .....	4.5
Total Request of Fiscal Year 2006 .....	10.5

## EXECUTIVE SUMMARY

IAIA promotes Native American cultural life and its artistic expression through post-secondary instruction, research, artistry and scholarship. The Institute enables its Native students to deepen and rediscover their living heritage of language, history, and culture through the creative arts.

*Academic Programs.*—IAIA offers Associate and Baccalaureate degrees in Studio Arts (AFA, BFA), Visual Communications (AAS, BFA), Creative Writing (AA, BFA) and Museum Studies (AFA and BA).

*Accreditation.*—IAIA is fully accredited by the North Central Association of Colleges and Schools (NCA) and by the National Association of Schools of Arts and Design (NASAD), the only national professional accrediting agency in higher education covering the entire field of art and design that is recognized by the U.S. Department of Education.

In 2004 IAIA underwent rigorous evaluations and an accreditation site review by NCA and NASAD. Both visiting teams not only approved the continued accreditation of the Institute, but raised the Institute's standing to a ten-year status—the highest level of achievement possible for colleges and universities. However, the accreditation final report concluded that further emphasis be placed on the stabilization of the Institute's base federal funding for operations, endowment, and capital construction. In accordance with accreditation mandates, this budget request lays out specific recommendations for sustained operations, along with appropriate funding increases, for the further stabilization and strengthening of IAIA's education programs and facilities.

*Operating Budget Request of \$6.5 million.*—To begin to address defined five-year goals, including important assessment and accreditation mandates, IAIA's federal budget request represents a \$500,000 increase over fiscal year 2005 funding. The accreditation reports require a stronger assessment and stability of financial systems. Because core funding is not obtained from the State of New Mexico, it is essential that a particular emphasis be placed on core federal support. The Institute will continue to leverage funds to ensure jointly supported planned improvements. Further justifications for this request are found in the previously submitted comprehensive budget.

*Request for Federal Matching Funds of \$4 million to meet a W.K. Kellogg Challenge Grant.*—As authorized by its legislation, the Institute is committed to the creation of a center for lifelong education, scholarly research and cultural exchange to express the various dimensions of Native cultures to all peoples. As presented in previous federal requests, IAIA won a national competition for a \$2 million grant from the W.K. Kellogg Foundation to plan and design this new center, which will be located on IAIA's campus. The new center is projected to serve 16,000 participants annually. Construction and development costs are projected at \$37 million, of which \$21 million has been secured. Diversified support for remaining costs is being secured through private, state, and tribal partnerships.

Of critical importance, the Kellogg Foundation has committed an additional \$16 million, but requires a federal match of a total of \$8 million. Thus far, IAIA has secured almost \$4 million in federal dollars through appropriations and competitive programs. IAIA's fiscal year 2006 request of the remaining \$4 million will secure this large private sector grant opportunity for the direct benefit of Indian peoples and their communities.

## BACKGROUND AND KEY FACTS

IAIA, originally established in 1962, has produced the majority of North America's most successful Indian artists. Founded as a Bureau of Indian Affairs (BIA) high school, IAIA has evolved into a federally chartered four-year college, building its own campus and operating the national American Indian Arts Museum in the historic plaza of Santa Fe.

*Charter and Mission.*—IAIA moved out of the control of the BIA into a Congressionally chartered institution in 1988 and is authorized under Public Law 99-498, as amended. This law affirms and acknowledges that Native cultures and arts are critical to the nation and deems it appropriate and essential for the federal government to provide base support to IAIA in the advancement, preservation, and promotion of diverse Native cultures and arts. IAIA's mission is to serve as the national center of research, training, language and scholarship for Native Americans and Alaska Natives through the dedicated study, creative application, preservation and care of our Native cultures and arts.

*Governance.*—IAIA is governed by a board of trustees (majority Native) appointed by the President of the United States and confirmed by the Senate.

*Funding.*—As a national post-secondary institution, IAIA's operations are funded through direct federal support and a diversified private sector approach to foundations, corporations, tribes, and individual donors. It does not receive state support for base operations.

*Museum.*—IAIA's enabling legislation also authorizes funding to the IAIA Museum and specifies its dual purpose of public education and presentation. Its facilities and collections provide hands-on training for students and faculty, and showcase student and alumni works. It provides a highly visible venue for public relations, education, and outreach, attracting over 50,000 visitors annually. The museum also houses the largest National Collection of Indian Contemporary Art with more than 6,500 pieces.

*Campus.*—In 1989, 140 acres was donated to the Institute for the establishment of a permanent campus. IAIA developed the infrastructure for site development and created an impressive master campus plan. The first phase of new campus construction is nearly complete.

*Student Body.*—IAIA's student body represents virtually every state in the country, as it enrolls 70–90 percent of the 562 federally recognized tribes. On average, over 90 percent of enrolled students come from impoverished reservations located in isolated communities with family income levels below federal poverty standards. Graduates become renowned artists and/or highly respected professionals in tribal communities and mainstream society.

*Tuition.*—IAIA is strongly committed to assisting its student body access both federal and private sources of scholarship, financial aid and other tuition assistance public and private programs. Tuition rates are similar to community colleges in the Santa Fe area.

*Performance Measures.*—IAIA undergoes rigorous assessment through reviews by mainstream accreditation committees and meets strict evaluation standards. It holds dual accreditation as a four-year fine arts college by the North Central Association of Colleges and Schools and the National Association of Schools of Art and Design. In 2004 it achieved 10-year accreditation, the highest standard in higher education.

*Community Outreach and Support.*—Through public education and outreach, IAIA serves over 50,000 students, community members and national and international visitors annually. Please note that this budget request has the unanimous support of the American Indian Higher Education Consortium, All Indian Pueblo Council, National Congress of the American Indian, and National Indian Education Association.

#### JUSTIFICATIONS AND HIGHLIGHTS OF MAJOR SUCCESSES.

*Student Graduation Rates.*—While IAIA's Baccalaureate degree programs are new and still under evaluation, IAIA's Associate degree programs have a 42 percent graduation success rate as compared with the 22 percent national average rate of mainstream higher education institutions.

*Library and Technology Center (LTC).*—Through federal, state and private support, IAIA built a new center for academic learning, research, and study. The LTC houses a Computer Lab, Learning Resource Center, a student support center, and extensive book collections and photographic archives. The library's collection is available locally and internationally via the online catalog on our Web site.

*Native Circle.*—A Program for Student Success. IAIA instituted a groundbreaking initiative to increase student academic success and retention through culturally-based learning assistance. Native Circle creates culturally integrated support to meet the needs of our unique population of students. Native Circle promotes student success and provides support in all arenas of the student experience.

*Film Program for Native American Writers, Directors, and Actors.*—In partnership with ABC Entertainment, Walt Disney, Screen Actors Guild and the National Museum of the American Indian, IAIA created a new initiative to further the advancement of Native Americans pursuing careers in the entertainment industry. Several participants won highly competitive ABC Talent Scholarships, and Walt Disney and ABC Entertainment Writing Fellowships.

#### CURRENT CHALLENGES

Federal investment has been critical to IAIA's evolution and numerous achievements. Appropriations for new campus construction were leveraged by over 60 percent in state, private, and other federal competitive grant programs, allowing the Institute to establish the first phase of its own campus.

Although IAIA has developed from a two-year college into a four-year institution, appropriations increases have averaged less than four percent from 1998 to 2004.

Operating expenses have had to be kept to a minimum despite the tremendous development of a four-year curriculum. Although the Institute achieved the highest accreditation for its four-year programs, it suffers from inadequate resources to build an appropriate infrastructure to support its new designation. Institutional assessments conducted by accreditation boards this past year highlighted key shortfalls within IAIA's infrastructure. The following three major areas were identified:

- Operations*.—Strengthening of current operational systems and stabilization of core operations financed by the Federal Government.
- Compensation*.—Implementation of an appropriate compensatory structure to support competitive markets, factoring in Santa Fe's high cost of living, and the professional development, and new hires of credentialed faculty for four-year programs.
- New Systems*.—Implementation of new systems and reorganization to address shortfalls in current systems.

#### CONCLUSION

It is without doubt that the accomplishments of IAIA have been outstanding over the past five years. We proudly and respectfully commit this budget request to the United States Congress for review and consideration. We greatly value our partnership to sustain and strengthen this important institution, its many achievements, and a future full of promise for the continuous cultural advancement of our diverse tribal nations. Thank you for your serious consideration.

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#### PREPARED STATEMENT OF THE INTERNATIONAL SOCIETY OF TROPICAL FORESTERS

As a former member of the USDA Forest Service Research Program and current President of the International Society of Tropical Foresters, I am pleased to see an increase of \$9.016 million in the President's fiscal year 2006 budget for Forest Service Research and Development (FS R&D). Also pleasing are the increases in funding for the Forest Inventory and Analysis and the Biobased Products and Bioenergy programs above the fiscal year 2005 enacted level. These are important and positive increases.

However, I see problems with the lack of recognition of the need for additional silviculturists to strengthen the Healthy Forests Restoration program. Silviculturists in Forest Service Programs generally (in National Forests, Research and Development, and State and Private Forestry) have been reduced in numbers at an alarming rate during the past several years. Yet, they are needed to plan and carry out thinning of fire hazardous forest lands and in restoring cut and burned over forest lands through planting or natural regeneration programs. Silviculturists have always been the backbone of Forest Service management programs, and they are essential to current Healthy Forests Restoration programs working together with other specialists in water, fire, insects, diseases, ecology and wildlife habitat. I recommend that the Forest Service recognize the need for more silviculturists in Research and Development as well as in non-research programs of the Forest Service. This would require at least an increase in funding of \$2 million more for Research and Development and additional funding for the other two branches of the Forest Service.

The rest of the President's fiscal year 2006 budget looks good, although I would like to add a little special detail on two International Research Institutes that are a part of the overall Research programs.

#### INTERNATIONAL INSTITUTE OF TROPICAL FORESTRY IN PUERTO RICO

The International Institute of Tropical Forestry (IITF) has a mission of research that contributes to the sustainable use of forest resources, the conservation of primary forests, the rehabilitation of degraded lands and the management of wildlife and watersheds. This work is conducted in an extensive network of collaborators with the Institute in Puerto Rico, other Caribbean islands, and in Latin America. The decrease of \$51,000 in the fiscal year 2006 budget for IITF will impact research on watershed conditions and invasive plants and animals and the delivery and practical use of all of the research programs of IITF.

I would like to see the \$51,000 decrease restored, and an increase of \$300,000 for silvicultural research aimed at sustainable forest management practices in the fiscal year 2006 budget for IITF.

## INSTITUTE OF PACIFIC ISLANDS FORESTRY IN HAWAII

The Institute of Pacific Islands Forestry (IPIF) in Hawaii has a mission of research on invasive species, forested wetlands, and ecosystem restoration. The President's fiscal year 2006 budget for IPIF includes a \$65,000 increase over fiscal year 2005. This increase will be used to strengthen research on invasive species. However, other programs that supplement or support research on ecosystem restoration include watershed research, fire research (especially since invasive species have created fire prone situations) and wetlands research. This work needs to continue. The \$100,000 decrease in mangrove and wetlands research, as well as ridge to reef studies, should be restored. An additional increase of \$300,000 for silvicultural research in the fiscal year 2006 budget for IPIF would greatly enhance work to restore native ecosystems in Hawaii.

Previous FS budgets have made possible the construction of an office and laboratory facility to house the IPIF R&D and outreach programs. The construction of this facility in Hilo, Hawaii began in early 2004, and I am pleased to see that IPIF will soon occupy these new quarters.

I would like to be sure that the \$65,000 increase in the President's fiscal year 2006 budget for IPIF be retained in the overall FS R&D budget.

## PREPARED STATEMENT OF THE INTERTRIBAL TIMBER COUNCIL (ITC)

## SUMMARY

Mr. Chairman, I am Nolan C. Colegrove, Sr., President of the Intertribal Timber Council. I am a member of the Hoopa Tribe and serve as their Forest Manager. I am pleased to present the following recommendations for fiscal year 2006 Bureau of Indian Affairs, U.S. Forest Service and Department of Energy appropriations:

- (1) Reject the BIA's proposed restructuring of the BIA budget,
- (2) Restore Endangered Species funding in Non-Recurring Programs—Resources Management, to \$2.6 million and add \$4 million for activities involving ESA,
- (3) Implement IFMAT II report recommendations to—
  - (a) increase BIA Forestry base funding by \$119.6 million, and
  - (b) integrate Interior BIA fire funding into the BIA base Forestry budget,
- (4) Add \$8 million to Cadastral Surveys in Non-Recurring Real Estate Services, and retain the \$1.6 million proposed increase for Regional Office Land Titles and Records,
- (5) Within Wildland Fire funding in BLM, direct BIA to develop a Native American fire crew leadership training program,
- (6) Add \$17.5 million to Forest Service State & Private Forestry to fund recently authorized Tribal and State Forested Watershed Assistance Programs,
- (7) Restore Cooperative Lands Forest Health Management funding in Forest Service State and Private Forestry to the fiscal year 2005 level of \$47.6 million, and
- (8) Add \$100 million in Energy Department Energy Conservation for biomass programs being authorized in H.R. 6, the Energy Policy Act of 2005.

## INTERTRIBAL TIMBER COUNCIL BACKGROUND

The Intertribal Timber Council (ITC) is a twenty-nine year old organization of seventy forest owning tribes and Alaska Native organizations that collectively possess more than 90 percent of the 7.7 million timberland acres and a significant portion of the 9.5 million woodland acres that are under BIA trust management. These lands provide vitally important habitat, cultural and spiritual sites, recreation and subsistence uses, and through commercial forestry, income for the tribes and jobs for their members. In Alaska, the forests of Native corporations and thousands of individual allotments are equally important to their owners. To all our membership, our forests and woodlands are essential to our physical, cultural, and economic well-being, and their proper management is our foremost concern.

## REJECT THE BIA'S PROPOSED RESTRUCTURING OF THE BIA BUDGET

Mr. Chairman, the ITC urges Congress to reject the BIA's proposed restructuring of its Operation of Indian Programs budget for fiscal year 2006. The restructuring undermines tribal government and Self-Determination, and provides the BIA with greater autonomy to shift funding as it chooses. In the current climate of intense budget pressures, the BIA should have increased responsibility to inform the tribes about the use of the money that is supposed to be provided to meet tribal needs and federal trust obligations. Greater detail, transparency, and accountability are needed, not less. Restructuring would eliminate TPA and create amorphous pools

of funds that will be easier for the BIA to manipulate, out of view of the very tribes the budget is to assist. The current budget system was developed and implemented by tribes, the BIA and Congress in fiscal year 1993 to clearly identify all BIA funds subject to tribal control. The BIA budget is intended to serve the tribes, not the bureaucracy.

Restructuring the BIA budget is exceptionally complicated and controversial; tribal involvement and consultation must be required before the BIA is granted the authority to implement what it has characterized as a "needs-based budget." The BIA is already failing to adequately fund almost all of its programs, including its trust resource obligations; giving the BIA virtually carte blanche authority to shift and distribute this scarcity among the tribes will be an unending source of BIA mischief and increasing distrust among the tribes. At the very least, any such plan would be disruptive and extremely controversial. Shifting funds would destabilize both Self-Governance tribes and direct service tribes. Further, the proposed budget justification is vague and apparently anticipates differential administrative treatment. "One set of standards should apply to programs managed directly by BIA. Another set of standards should be applied to BIA's management of grants under Indian Self-Determination." BIA-OIP-1.

RESTORE ENDANGERED SPECIES FUNDING IN NON-RECURRING PROGRAMS—RESOURCES MANAGEMENT, TO \$2.6 MILLION AND ADD \$4 MILLION FOR ACTIVITIES INVOLVING THE ESA

We request that the BIA Endangered Species program be restored to its fiscal year 2001 level of \$2.6 million, and that another \$4 million be added to address unmet needs for funding to support tribal activities involving the ESA. Even at current levels, for instance, the BIA Pacific Region states its ESA program is so underfunded it cannot fund one full-time biologist, yet there are over 290 federally listed species and 102 federally recognized Indian tribes within the Region. For fiscal year 2006, BIA is proposing to cut its ESA program to \$210,000, effectively eliminating the only funding identified in the BIA budget for field-level ESA compliance activity. The fiscal year 2006 BIA Justification frankly acknowledges this on page BIA-NRP-17, stating "the reduction will curtail the ESA compliance effort for individual timber sales." We fear that the virtual elimination of the ESA program would increase the difficulty of harvesting Indian timber in accordance with tribal management plans and violate the federal trust responsibility. Tribal governments would be deprived of needed jobs and revenue, and tribal forests themselves would be placed in jeopardy of catastrophic loss due to wildfire, insects and disease because of the inability to properly manage forest stocking levels. It is sadly bizarre that the Interior Department's Fish and Wildlife Service budget is proposing \$80 million for ESA grants to states and territories, for which the United States does not have a trust responsibility.

IMPLEMENT IFMAT II REPORT RECOMMENDATIONS TO—(A) INCREASE BIA FORESTRY BASE FUNDING BY \$119.6 MILLION, AND (B) INTEGRATE INTERIOR BIA FIRE FUNDING INTO THE BIA BASE FORESTRY BUDGET

The National Indian Forest Resources Management Act (Public Law 101-630) Section 312 (25 U.S.C. 3111) requires the Interior Secretary to provide for an independent assessment and report on the status of Indian forests and forest management every ten years. The first Indian Forest Management Assessment Team (IFMAT-I) report was issued in November, 1993, and the second (IFMAT-II) in December, 2003. In addressing its statutory mandates, the IFMAT II report recommends, and the ITC urges, that BIA base Forestry funding be increased by \$119.6 million to bring it into per acre funding parity with the Forest Service (IFMAT-II page 98). This increase would include funding for several unfunded federal mandates that expose tribal timber sales to the prospect of challenge and shut-down, hindering forest health and depriving tribes of revenue; for example, the current BIA budget provides no identified funds for archeological surveys required by the National Historic Preservation Act.

The IFMAT-II report also recommends that fire funding be made a permanent part of BIA's base Forestry funding in order to efficiently address forest health as part of overall Indian forest management (IFMAT-II page 60). The ITC agrees and requests the Committee to shift funding for BIA fire and fuels management and preparedness to Forestry in Non-Recurring Programs. IFMAT-II stresses the contribution that fire-related funding (fuels management, preparedness, and emergency stabilization) has made to tribal forestry since 1991. For 2001, the total BIA Forestry budget including base program funding and fire funding is \$9.38 an acre, or two-thirds the \$13.70 per acre combined base and fire funding for the Forest Service.



While fire funding has helped reduce the funding disparity with National Forests, integration of BIA fire funds with funding for other programs would lead to more effective and coordinated management, while avoiding duplication of effort and other inefficiencies.

ADD \$8 MILLION TO CADASTRAL SURVEYS IN NON-RECURRING REAL ESTATE SERVICES, AND RETAIN THE \$1.6 MILLION PROPOSED INCREASE FOR REGIONAL OFFICE LAND TITLES AND RECORDS

We request that fiscal year 2006 BIA funding for cadastral surveys be increased to \$16 million. We also note that the BLM itself has statutory responsibilities to provide cadastral surveys on Indian trust lands, and we ask that the BLM be directed to institute such a program as part of its baseline responsibilities. Reliable and accurate boundaries and clear, current title are essential for the management of Indian trust lands and resources. Without them, land use and management are clouded, its income subject to question, and its protection jeopardized. A lack of surveys is a major cause of timber trespass.

We support the requested fiscal year 2006 increase of \$1.6 million for Land Titles and Records in Regional Office Trust Services, although we remain concerned about the adequacy of funding for this program.

WITHIN WILDLAND FIRE FUNDING IN BLM, DIRECT BIA TO DEVELOP A NATIVE AMERICAN FIRE CREW LEADERSHIP TRAINING PROGRAM

We request that the BIA be directed to develop a Native American fire crew leadership training program. Native American crews constitute 25 percent of the line fire work force and have proven to be invaluable assets for protecting both Indian and non-Indian forests and communities. There is an increasing need for fire crew leadership training to improve the readiness and field effectiveness of tribal fire crews. Failure to do so could endanger the safety and hinder the deployment of otherwise fully trained and able tribal fire crews.

ADD \$17.5 MILLION TO FOREST SERVICE STATE & PRIVATE FORESTRY TO FUND RECENTLY AUTHORIZED TRIBAL AND STATE FORESTED WATERSHED ASSISTANCE PROGRAMS

We request funding to initiate both tribal and state watershed assistance programs in fiscal year 2006. Title III of the Healthy Forests Restoration Act (Public Law 108-148) establishes needed watershed forestry assistance programs for states (Section. 302, \$15 million) and for tribes (Section 303, \$2.5 million). The combined authorized funding for these two programs is \$17.5 million a year. With drought now encroaching on the West, healthy forested watersheds are becoming especially important for their role in capturing, holding, filtering, and releasing steady supplies of clean water, providing riparian and other habitat, and assuring sustainable fire-resistant forest stands. Fire and drought imperil watersheds that often span jurisdictional boundaries. Funding of both the tribal and state watershed programs is essential to help communities, particularly smaller rural communities like those found on Indian reservations, to actively participate in collaborative watershed management.

RESTORE COOPERATIVE LANDS FOREST HEALTH MANAGEMENT FUNDING IN FOREST SERVICE STATE AND PRIVATE FORESTRY TO THE FISCAL YEAR 2005 LEVEL OF \$47.6 MILLION

Pest, disease, and invasive species management on Indian trust land is funded in USFS Forest Health Management for Federal Lands, and the ITC supports maintaining the adequacy of that budget. The ITC also urges that funding for Forest Health Funding on Cooperative Lands be restored to its fiscal year 2005 level. It is essential to address forest health on a broad landscape basis; where ownership patterns are complex, inadequate coverage on Coop lands increases the prospects of damage to neighboring Federal and tribal lands, with a consequent loss of forest productivity.

ADD \$100 MILLION IN ENERGY DEPARTMENT ENERGY CONSERVATION FOR BIOMASS PROGRAMS BEING AUTHORIZED IN H.R. 6, THE ENERGY POLICY ACT OF 2005

Many timber tribes are pursuing biomass to reduce costs of forest health treatments by generating electricity, and we urge that \$100 million be added to the Dept. of Energy budget in anticipation of the programs being authorized in Section 939 of H.R. 6.

PREPARED STATEMENT OF THE LAC DU FLAMBEAU BAND OF LAKE SUPERIOR  
CHIPPEWA INDIANS

As President of the Lac du Flambeau Band of Lake Superior Chippewa Indians, located in Wisconsin, I am pleased to submit this testimony, which reflects the needs, concerns and issues of the tribal membership arising from the President's fiscal year 2006 Budget.

INDIAN EDUCATION

*Johnson O'Malley. We urge the Subcommittee to restore \$8.8 million to the Johnson O'Malley (JOM) program.*—The Administration proposes substantial cuts to education funding, and Indian education has been especially hit hard. Of particular significance to the Band is the proposed \$8.8 million decrease in JOM funding—cutting funding for this program in half. The JOM program provides funding for supplemental education programs for Indian students attending public schools. Because the Band's member children attend public schools, this funding forms the core of the Band's education program. We urge the Subcommittee to restore full funding to this program.

*Lac du Flambeau Education Program. The Band also requests an additional appropriation of \$93,000 for its education program.*—The Band's education program has been historically under-funded. It is impossible to demonstrate the successful performance required by the Administration for continued funding when the program has never been fully funded in the first instance.

The Band received only \$56,134 in JOM funding in fiscal year 2005. Of this, \$45,000 supports an Indian Student Mentor at the local high school, and the balance is used to partially fund the Tribal Education Coordinator. The mentor program is very important to our freshman students, who arrive at the high school as a minority after graduating from the majority-Indian Reservation grade school. The mentor provides support and intervention to ease this transition. However, we have 520 grade school students who are not served by the JOM program due to lack of funding. An additional \$93,000 is required to meet the basic needs of these students.

NATURAL AND CULTURAL RESOURCES

*Circle of Flight. We strongly urge the Subcommittee to restore \$592,000 for the Tribal Wetland and Waterfowl Enhancement Initiative (Circle of Flight), which the Administration proposes to eliminate entirely.*—Congress has restored this funding when it was targeted in past years, and the Band would like to thank the Subcommittee for understanding how important this program is in restoring and preserving our Nation's wetlands and waterfowl populations. The preservation and restoration of wetlands is vital to the culture and economy of the Great Lakes region. Moreover, in addition to waterfowl habitat and gathering areas, wetlands are important in providing flood control, clean water and recreation, benefiting residents up and down the Mississippi Flyway. Your strong support of this program is required again.

*Wildlife and Parks. We urge this Subcommittee to restore full funding to the Wildlife and Parks budget, including the proposed \$4.2 million cut to tribal management and development programs.*—Tribes are leaders in natural resource protection and this funding is essential to maintain these programs. The Band has a comprehensive Natural Resource Department and dedicated staff with considerable expertise in natural resource and land management. Our activities include raising fish for stocking, conservation law enforcement, data collection on water and air quality, developing well head protection plans, conducting wildlife surveys and administering timber stand improvement projects on the 86,000-acre reservation.

*The Band also requests the Subcommittee set aside \$200,000 for Lac du Flambeau—\$100,000 for Fish Hatchery Operations and \$100,000 for Management and Development.*—The Wildlife and Parks budget has not increased significantly since 1990, and the Band requires additional funding to continue its fish hatchery and management programs.

*Tribal Historic Preservation Officers. The Band requests that \$9.9 million be allocated within the Historic Preservation Fund for Tribal Historic Preservation Officers (THPOs).*—In 1995, Congress began encouraging tribes to assume historic preservation responsibilities as part of self-determination. There are currently 54 tribes in the United States—six in Wisconsin—approved by the Secretary to administer historic preservation programs. These programs conserve fragile places, objects and traditions crucial to tribal culture, history and sovereignty.

As was envisioned by Congress, more tribes qualify for funding every year. In fiscal year 2001, there were 27 THPOs with an average award of \$154,000; in fiscal

year 2005, there are 54 THPOs, and the Band will likely receive \$48,000. Paradoxically, the more successful the program becomes overall, the less each tribe receives to maintain professional services, ultimately crippling the programs. The requested appropriation would provide a modest base funding amount of \$180,000 per THPO program.

*Lac du Flambeau Boarding School Historic Restoration.* The Band requests an appropriation of \$337,653 from the Saving America's Treasures Account for the restoration of the Lac du Flambeau Boys and Girls Indian School, as a historic site.—From 1895–1932, the Lac du Flambeau boarding school was operated with the purpose of assimilating Indian children from the region. The school's history represents a snapshot of a painful era of American Indian policy faced by our ancestors. Unfortunately, this story is rarely told in present day textbooks. The Band's goals in restoring the buildings are to provide a place to tell the story of the boarding school era—a story of cultural survival and personal endurance in the face of seemingly insurmountable obstacles—and to honor those who kept our tribal traditions alive in these difficult circumstances. Funding would cover exterior and interior restoration and associated infrastructure, personnel and engineering costs.

*Forestry.* The Band requests that the Subcommittee earmark \$107,000 for the Lac du Flambeau Forestry Department.—The Reservation contains 46,000 acres of forested land that supports hunting, gathering and employment opportunities for tribal members. Proper management of the forest is essential not only to sustain our subsistence lifestyle, but also to provide economic growth for the Band. Two foresters and one technician undertake a broad range of management activities, including tree planting, prescribed burning, forest road design and maintenance, and timber sale establishment and administration. The total cost of operating the forestry program is \$217,000, but the program received only \$98,672 in fiscal year 2005—a decrease from previous years—and has not received a substantial funding increase since 1991. Additional funding is needed to maintain forest development, timber sale management and wildfire control activities. Forest management requires secure, long-term funding to be cost-effective and demonstrate results.

*Great Lakes Indian Fish and Wildlife Commission.* The Band also supports funding for the Great Lakes Indian Fish and Wildlife Commission (GLIFWC) in the amount of \$4,196,000 to meet the needs outlined in the Commission's testimony submitted to this Subcommittee.—The Band is a member of the Commission, which assists the Band in protecting and implementing its treaty-guaranteed hunting, fishing and gathering rights.

#### PAY COST SHORTAGES FOR BIA PUBLIC LAW 93–638 EMPLOYEES

We urge the Subcommittee to restore full Public Law 93–638 pay cost funding for tribes in fiscal year 2006 and to restore pay cost funding not received in fiscal year 2002–2005 through a special appropriation.—Under the Indian Self-Determination Act, many tribes have assumed responsibility for providing core services to their members. If these services were provided by the federal government, employees would receive pay cost increases mandated by federal law. While tribal governments have assumed this responsibility, Congress and Interior have failed to fulfill their obligation to ensure that tribes have the same resources to carry out these functions. Tribes received only 75 percent of the pay cost adjustment in fiscal year 2002, 15 percent in fiscal year 2003 and approximately 30 percent in fiscal year 2004. This inequity threatens to undermine tribal self-determination.

The Band also requests an appropriation of \$59,600 to provide a 5 percent cost of living increase for its employees.—Funding for the Band's most critical core services, including law enforcement, courts, education, natural resource management and social services, has eroded significantly in recent years because of the lack of appropriate pay cost increases. The requested appropriation would cover a 5 percent cost of living adjustment for the Band's program employees within TPA, Management and Development and Fish Hatchery Operations.

#### ENVIRONMENTAL PROTECTION AGENCY

*Indian General Assistance Program.* The Band requests that the Subcommittee increase funding for the Indian General Assistance Program (GAP) by \$10.8 million.—GAP funding is the primary federal mechanism available for tribes to protect our lands. These funds, which provide support for many of our programs, enable tribes to assume environmental responsibilities delegated by EPA. We ask the Subcommittee to restore the proposed \$5 million cut to this program and to increase GAP funding to at least \$68.3 million to enable tribes to continue developing environmental management infrastructure. We also ask you to clarify that GAP funding

can be used for development, implementation and continued support of tribal environmental programs, not merely “capacity building.”

*Clean Water Program.* We request restoration of full funding to the Clean Water Program, including restoration of \$171,000 from this fund for the Band's Water Resources Program.—The Clean Water Program provides grants to tribes under Section 106 of the Clean Water Act to protect water quality and aquatic ecosystems. We received \$171,000 in fiscal year 2005, the minimum required to support the Band's program. In fiscal year 2006, the Administration proposes to reduce this to \$150,000. Continued operation of the program requires restoration of this \$21,000 cut.

*State and Tribal Assistance Grants.* The Band supports restoration of \$643.9 million for State and Tribal Assistance Grants.—These grants are used to support a variety of tribal environmental programs, including water quality programs, and are an essential source of tribal environmental funding.

#### INDIAN HEALTH

We urge the Subcommittee to significantly increase funding for Contract Health Care (CHC).—Federal funding for health services has fallen dramatically behind the rising cost of health care over the past five years. In fiscal year 2000, The Band's shortfall for health care was \$1.2 million. We anticipate the fiscal year 2005 shortfall to be in excess of \$2.9 million. This deficit has increased 136 percent or an average annual increase of 27 percent. Despite rising costs, the Administration proposes an increase of only \$27 million for CHC. A substantial funding increase is needed to address the need across Indian country. In addition, we urge the Subcommittee to look at ways to reduce costs for Indian health care. For example, currently vendors for CHC are paid at full rates, rather than medical assistance rates. A rate change would cut the Band's health care budget shortfall in half.

The Band also requests an appropriation of \$8 million for construction of a new clinic facility.—The inadequate design of the present facility, which was not intended for use as a clinic, restricts access to patient care and limits the quality of service we are capable of providing to community. A new facility would improve patient access to providers, enable the Band to provide wellness education and health screenings for cancer and diabetes, and reduce payments to outside vendors because more high cost services could be provided on-site.

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#### PREPARED STATEMENT OF THE MESA COUNTY COMMISSIONERS

The Mesa County Commissioners urge you to support the proposed \$1.5 million appropriation to the Bureau of Land Management from the Land and Water Conservation Fund (LWCF) for the Colorado Canyons National Conservation Area.

As you may be aware, Mesa County lies on the Western border of Colorado and covers 3,309 square miles. The percentage of public lands in Mesa County is 71 percent. We work very closely with the Bureau of Land Management.

Located in west central Colorado and straddling a 23-mile stretch of the Colorado River within Colorado and Utah, the 122,300-acre Colorado Canyons National Conservation Area (NCA) contains a multitude of nationally significant resources. This landscape supports a varied range of recreational uses—activities such as floating the Colorado River, big game hunting, hiking, camping, mountain biking, horseback riding, and fossil viewing.

The 1.5-mile “Trail Through Time”, administered by the BLM and the Museum of Western Colorado, interprets fossilized dinosaur remains found in a 140-million-year-old quarry. Twenty-five miles of the internationally renowned Kokopelli Mountain Bike Trail pass through Colorado Canyons NCA. The Kokopelli Trail receives 31,000 annual visitors, and usership is projected to double by 2025. In addition, a 53-mile trail network, known as the Kokopelli Loop, lies within the NCA.

In fiscal year 2006, the BLM has the opportunity to acquire and protect a number of private parcels both on the Colorado River and at other critical locations within the NCA from willing sellers, and which represent the last significant in-holdings in the NCA.

Without protection, these properties face imminent threats from rural residential development. Conserving them this year will consolidate federal ownership within the Colorado Canyons NCA and protect the area's unique richness of essential natural and recreational resources.

Again, we urge you to give this project your strongest support during the Congressional deliberations of the fiscal year 2006 Interior Appropriations bill.

Thank you for your support.

## PREPARED STATEMENT OF THE NATIONAL PARKS CONSERVATION ASSOCIATION

The National Parks Conservation Association (NPCA) is the only national non-profit conservation organization that advocates exclusively for the national parks. Through public education, advocacy, and citizen outreach, NPCA works to protect, preserve, and enhance America's national parks for present and future generations. On behalf of approximately 300,000 NPCA members, we appreciate the opportunity to share our funding priorities and respectfully request the Committee consider these views as you shape the fiscal year 2006 Interior budget.

## OPERATIONS OF THE NATIONAL PARK SYSTEM

A top NPCA priority is to significantly increase funding for Park Service operations. NPCA is requesting an increase of \$100 million above the President's fiscal year 2006 request, \$150 million above current fiscal year 2005 spending levels, for a total of \$1.8 billion for Operations of the National Park System.

NPCA appreciates and supports the efforts in the President's budget to cover fixed costs. In recent years, the parks have been stretched thin by unbudgeted cost-of-living increases, un-reimbursed storm damage, and insufficient funding for homeland security needs, which have contributed to and compounded the burden of the annual operating deficit.

However, the increase of \$50.5 million for Operations of the National Park System does not leave room for any programmatic increase in the base operating budgets for the 388 NPS units. Without increased programmatic funding to the parks, visitor service and resource protection needs remain unmet at parks throughout the system.

NPCA greatly appreciates the effort of the Committee to work on a bipartisan basis to address the core operating needs of the parks, particularly the successful effort last year to significantly increase the base operating budget of the parks. Continuing this effort in the fiscal year 2006 is crucial.

*Land Acquisition*

NPCA supports a number of projects included in the President's fiscal year 2006 National Park Service Federal Land Acquisition budget request including: \$8 million for Big Thicket National Preserve, \$1.6 million for Lewis and Clark National Historic Site, \$5.8 million for Sleeping Bear Dunes National Lakeshore, \$1.9 million for Wrangell-St. Elias National Park and Preserve, \$3 million for Pinnacles National Monument, \$1.6 million for the Carter G. Woodson National Historical Site, and \$4.3 million for Flight 93 National Memorial.

In addition, NPCA respectfully requests the consideration of a number of priority NPS land acquisition projects listed below.

—Big South Fork National River and Recreation Area, TN

*Request.*—\$2,062,500

*Description.*—Funding is needed to purchase 625 acres (2 tracts) within the authorized boundary of the Big South Fork NRRRA. There are approximately 5,900 acres of privately held property within the boundary of the park, much of it threatened by development near the gorge.

—George Washington Birthplace National Monument, VA

*Request.*—\$2,000,000

*Description.*—Funding is needed to purchase two tracts of land in the expanded boundary of the park. Public Law 107-354, signed into law by President Bush in 2002, authorized expansion of the park's boundary by 112 acres. Now being marketed by commercial real estate interests, this land is surrounded by parkland, the Potomac River, and its tributary, Pope's Creek.

—Gettysburg National Military Park, PA

*Request.*—\$2,000,000

*Description.*—Funding is needed to purchase in-holdings from willing sellers. Of the 5,989 acres inside Gettysburg's boundary, nearly 20 percent or 1,154 acres remains privately owned. The last funding provided to acquire threatened lands at Gettysburg was in fiscal year 2001.

—Grand Teton National Park, WY

*Request.*—\$4,600,000

*Description.*—Funding is needed to purchase from willing sellers 4.37 acres adjacent to the Moose-Wilson road, known as the "Hartgrave Property." This property is a critical wildlife area and highly visible to park visitors.

—Harpers Ferry National Historical Park, WV

*Request.*—\$3,000,000

*Description.*—Funding is needed to acquire Schoolhouse Ridge properties inside the park boundary. Public Law 108-307 authorized the addition of 1,240 acres (191

acres which is privately owned) to the park. The \$2.9 million approved in fiscal year 2005 will be applied to acquisition of two tracts totaling 111 acres. This land outside Washington, DC faces significant development threats.

—Lewis & Clark National Historic Park, OR/WA

*Request.*—\$3,750,000

*Description.*—Funding is needed to complete acquisitions to coincide with the Lewis and Clark bicentennial celebration in November 2005. Public Law 108–387 re-designated Fort Clatsop National Memorial as Lewis and Clark National Historical Park, expanding the boundary of the park. The President's fiscal year 2006 Budget includes \$1,600,000 to purchase approximately 160 acres of property from Cathlamet Timber to complete the Dismal Unit in Washington. An additional \$2,150,000 is needed to acquire property from the Garvin family and complete the new Station Camp unit in Washington, and a smaller acquisition adjacent to Fort Clatsop to complete the acquisition from Weyerhaeuser in Oregon.

—Mount Rainier National Park, Carbon River Valley, WA

*Request.*—\$4,000,000

*Description.*—Funding is needed to complete acquisition of 800 acres from willing sellers to address seasonal flooding and improve road access to the park. Local land conservancies are purchasing options on these lands to protect the lands from development adjacent to the park.

—Obed Wild and Scenic River, TN

*Request.*—\$3,174,000

*Description.*—Funding is needed toward the acquisition of 1,397 acres to protect from development the wild values for which the park unit was established. Currently one-third of the land within the park boundary is in private ownership. \$750,000 was appropriated in fiscal year 2004 for such purposes.

—Petrified Forest National Park, AZ

*Request.*—\$5,000,000

*Description.*—Funding is needed to begin the purchase of private lands incorporated into the park through the Petrified Forest National Park Expansion Act signed into law by President Bush in 2004 (Public Law 108–430). The expansion will protect globally significant paleontological resources, as well as nationally significant archeological resources. There are currently approximately 79,500 privately owned acres within the expansion.

—Valley Forge National Historic Park, PA

*Request.*—\$4,500,000

*Description.*—Funding is needed to acquire lands north of the Schuylkill River. Nearly 400 acres within the park boundary remains privately-owned in one of the fastest growing areas in the state. Valley Forge preserves, protects, and maintains the cultural and natural resources associated with the encampment of Gen. Washington's Continental Army.

—Virgin Islands National Park, USVI

*Request.*—\$850,000

*Description.*—Funding is needed to acquire a 1-acre high priority land tract (Penn Property) located adjacent to the 376-acre Maho Bay Estate. This area is under significant development pressure that threatens to disrupt the character of the park, including the spectacular views of Maho Bay and public access to the scenic shoreline and waters of the park. This fragile area contains large nesting colonies of brown pelicans, as well as migratory warblers and terns that make their winter homes on St. John.

—California Desert Parks, CA (Death Valley NP, Joshua NP, Mojave National N. Pres)

*Request.*—\$1,000,000

*Description.*—Funding would be used in fiscal year 2006 toward the purchase of desert park in-holdings from willing sellers. There are substantial numbers of private property parcels located within the boundaries of the Mojave National Preserve, Joshua Tree and Death Valley. For example, within Mojave alone there are over 1,100 privately-owner parcels and over 300 willing sellers. These funds would match private dollars raised by the National Park Foundation, which has already worked to identify, map, and prioritize in-holdings for purchase from willing sellers.

#### *Construction*

—Death Valley National Park, CA—Install Photovoltaic System on Visitor Center/ Headquarters Complex and Replace Roof

*Request.*—\$606,000

*Description.*—The roof on the Furnace Creek Visitor Center and Headquarters Complex needs to be replaced. It currently leaks and drains into the visitor center at the front desk area where visitors pay entrance fees and receive information.

Death Valley proposes to replace the old roof and install a new one with a 50 kW photovoltaic (PV) system. The PV system would provide approximately 30 percent of the Furnace Creek complex's annual energy demand. The PV system would be interpreted to the public to showcase National Parks Service's sustainability efforts.

—Everglades National Park, FL—Modify Water Delivery System

*Request.*—\$25,000,000

*Description.*—NPCA supports the Presidents fiscal year 2006 request of \$25,000,000 within the Department of Interior budget for a Modify Water Delivery System, as well as the \$35,000,000 from the U.S. Army Corps of Engineers. This funding is critical to ensure significant restoration benefits for Everglades National Park and the South Florida Ecosystem.

—Hamilton Grange National Monument, NY—Relocation and Restoration of Alexander Hamilton's Home

*Request.*—\$10,465,000

*Description.*—Funding is requested to move the Hamilton house to a new location within Hamilton's original property lines. Public Law 106-482, signed into law in 2000 authorized the Secretary of the Interior to acquire by donation suitable land to serve as the new location for the home of Alexander Hamilton and to authorize its relocation to the acquired land. The 1995 approved General Management Plan for the Grange called for its relocation and restoration.

—Seward, Alaska—Mary Lowell Visitor Center

*Request.*—\$9,800,000

*Description.*—Funding is requested to replace the Park Service's deficient visitor center/administration facility with a multi-agency facility in Seward that will serve the Park Service, U.S. Forest Service and Alaska State Parks. Under previous appropriations, sufficient land has been acquired for such purposes.

#### *Other*

—National Underground Railroad Network to Freedom

NPCA supports the President's Budget request of \$482,000 for the Network to Freedom (NTF) program managed by the Park Service and respectfully requests an additional \$1 million for NTF operations, and \$500,000 for NTF grants for a total request in fiscal year 2006 of \$1,982,000 for the Underground Network to Freedom program.

The Underground Railroad Network to Freedom program was created to promote and preserve sites, partnerships, and programs that educate the public about the historical significance of the Underground Railroad. The current funding level of \$482,000 for operations does not adequately cover staff salaries or basic programmatic needs. The President's fiscal year 2006 does not include any funding for NTF grants nor any increase in operations.

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#### PREPARED STATEMENT OF THE NATIONAL RECREATION AND PARK ASSOCIATION

This statement shares with the Subcommittee the views of the National Recreation and Park Association on fiscal year 2006 appropriations for selected programs within its jurisdiction. Referenced programs are administered by the National Park Service.

We recommend the following:

—\$100,000,000 from the Land and Water Conservation Fund for state assistance to be invested by state and local governments on a 50/50 matching basis. Funds should be appropriated to the states as authorized by the Land and Water Conservation Fund Act, Public Law 88-578, as amended.

—\$25,000,000 to address the most distressed urban recreation resource conditions and deficiencies identified and aided through the Urban Park and Recreation Recovery Program. This program funds no land acquisition.

—\$9,700,000 for the Rivers, Trails and Conservation Assistance (RTCA) program to support field-based technical assistance that yields conservation and recreation benefits through collaboration with state and local interests.

—Sufficient funds to enable the National Park Service, through *Federal Lands to Parks* and related programs, to collaborate with state and local recreation and park officials and others on the conservation and use of surplus federal real property.

If substantially adopted, our recommendations will help address an increasing national imperative to improve physical and mental health and to sustain the environment.

## LAND AND WATER CONSERVATION FUND STATE ASSISTANCE

Our recommendations relative to LWCF assistance and urban park restoration are also supported by Advocates for Health, Public Parks, and Recreation, a broad coalition of health and recreation-related groups. A statement by that coalition accompanies our statement.

We commend the Subcommittee for continuing national support for fiscal partnerships with state and local recreation and park authorities. Concurrently, we believe the President's proposed termination of LWCF State Assistance and zero funds for fiscal year 2006 is remarkably shortsighted. In our judgment, the administration's reasons for these actions reflect limited awareness of program purpose, public and personal health, actual long-term impact and value results arising from investments, and actual fiscal conditions of state and local governments.

Ironically, the President's budget continues to recommend that other programs be funded from the LWCF account, thus creating the illusion that LWCF is at least partially funded. If the Congress in its wisdom determines to fund these programs from the LWCF account then all jurisdictions and agencies presently eligible for LWCF and assistance engaged in wildlife habitat and forest conservation should be equally eligible to participate in programs drawn from the LWCF treasury account.

The Interior Department's claim that state and local governments should, in effect, go it alone financially ignores one of the key tenants of the act: That a portion of annual OCS receipts should be reinvested through the Land and Water Conservation Fund. The record of LWCF grants to both small rural communities and large jurisdictions is evidence that the LWCF assistance is a highly efficient way to get OCS receipts back to the people for resource conservation and public recreation.

The fiscal needs of state and local governments are well documented. For example, unfunded fiscal year 2004 requests for LWCF from local and state officials exceeded \$836 million, according to applications submitted to the National Park Service for fiscal year 2006. Our April 2005 interim report on local park and recreation capital investment needs for the period fiscal year 2005–2009 indicates that these local governments alone need once \$72 billion for park and recreation facilities and lands. This reflects both the need for investment and program effectiveness, while suggesting that our request is very conservative. NRPA's priorities reflect a nationwide demand to increase the recreation capacity of public systems, especially those relatively close to home.

We continue to note our concern that the administration's proposed budget again offers to divert access of the Land and Water Conservation Fund to a number of other non-LWCF activities. The LWCF act, broad in its application and resultant diversity of projects, is very specific in its policy objectives—provision of recreation opportunities to improve human health through direct access to lands and waters and recreation facilities.

Non-federal recreation and park resources are essential to quality recreation experiences for all people. These systems provide the majority of public recreation destinations, services, and visitor experiences. They are not incidental to sustaining the social and environmental integrity of federal land systems.

## URBAN PARK AND RECREATION RECOVERY PROGRAM

The Urban Park and Recreation Recovery Program recognizes the recreation values associated with conservation of the built environment. Funds are restricted to restoration and, thus, renewed and expanded public use of local recreation facilities and sites that have been worn out by use, age, or the elements. These facilities and sites are no less important than conservation of other recreation spaces and places of high ecological and aesthetic value. Demand for Urban Park and Recreation Recovery Program assistance remains high. It is reflected in both the number of requests for assistance and the quality and objectives of projects when the program has been funded. Based on demand for fiscal year 2001–2003 appropriations, for example, our recommendation would support from 50 to 90 projects.

## NATIONAL PARK SERVICE INTERGOVERNMENTAL ACTIVITIES

*Rivers and Trails Conservation Assistance Program*

We recommend \$9.7 million for the Rivers, Trails, and Conservation Assistance Program. The program continues to illustrate the critical importance of federal contributions to public/public and public/private partnerships for conservation of natural and cultural resources and public recreation access. The program provides technical assistance to local governments, citizens, and community organizations, and state agencies to consider recreation and conservation strategies. The results include planning, restoration, and development of waterways and trails, and conservation



of open space and greenways, among other types of projects. In most cases, local governments continue to invest non-federal funds in projects stimulated by local public interests and federal technical assistance.

*Federal Lands to Parks Program*

We recommend an appropriation of at least \$1 million to support the Federal Lands to Parks program, also part of NPS Recreation and Conservation Assistance activities. The FLP program is an exemplary service. It guides federal agencies and state and local governments in the conversion of federal surplus properties to public recreation and park uses and conservation of historic or wildlife values. The number of surplus properties potentially available for state and local parks and demands for assistance has increased beyond the present capacity of program staff. A large part of this demand was generated by the closure of several military bases between 1988 and 1995. In recent years, program staff has assisted in the transfer of about 20–25 properties annually. There is a current backlog of some sixty pending transfers. Anticipated base closure and reuse decisions will substantially impact the capacity of program staff.

While there is today considerable attention and debate on the stewardship and priorities of the National Park System and National Park Service, we urge the Subcommittee to not let this situation divert attention from other congressional authorities in the Interior department's domain.

Local and state park systems are critical to the health and well-being of the American people and others who work and reside among us. With sufficient funds, more appropriate recreation resources will become accessible and better environmental stewardship will result. Local systems can better address diverse public interests and our collective need for quality recreation services for children. Local agencies, in particular, host programs that serve millions of nutritious breakfasts, lunches, snacks, and suppers to needy children. Public recreation and park sites and services help reduce crime and delinquency, especially during non-school hours, days, and seasons. Recreation and park policy-makers and managers recognize that at any given time perhaps 45 million people have a physical disability and public staff attempt to accommodate their needs for recreation. In addition to providing public recreation experiences, state and local agencies contribute importantly to sustaining plant and wildlife diversity.

We appreciate this opportunity to share the views of our members.

LOCAL GOVERNMENT PARK AND RECREATION CAPITAL INVESTMENT SURVEY—FISCAL  
YEAR 2005–2009

PRELIMINARY REPORT

INTRODUCTION

The National Recreation and Park Association is a 501(c)(3) education, research, and service organization. It is an advocate for progressive policy and programs that support sufficient investment in public recreation and park systems and services. NRPA members are public executives, managers, elected and appointed citizen policy makers, and citizen advocates associated with the creation and use of public recreation and park places and recreation services. Over 20,000 members are associated with public park and recreation agencies and allies at all levels of governments, individuals engaged in research, undergraduate and graduate education, continuing education and training, recreation services and site and program adaptations for persons with disabilities, and recreation for members of the Armed Forces and their dependents.

As a national advocate for appropriations from the federal Land and Water Conservation Fund and Urban Park and Recreation Recovery Program, for example, NRPA has a continuing interest in the status of capital development and infrastructure needs of local park and recreation agencies. Our work on behalf of local general-purpose governments and special purpose park and recreation districts requires periodic assessments of both the short and longer-term fiscal conditions and capital investment needs. Further, this survey increases our awareness of both present and longer-term deficiencies and factors that influence decisions. This survey reveals a total capital investment need of \$72.697 billion for fiscal year 2005 to fiscal year 2009, inclusive. Funds are needed to increase local parkland by 1.36 million acres, in addition to development of public recreation facilities.

NRPA surveys of local government park and recreation capital investment estimates were conducted first in 1990, and have been conducted every five years since. The present study assesses the fiscal year 2005 capital development and recreation

and park spatial needs of local agencies. It also projects capital investment program (CIP) needs for the period fiscal year 2005–2009.

#### METHODS

A survey of the National Recreation and Park Association-maintained chief administrator database was conducted, beginning in December 2004, to analyze and assess capital investment needs. From a list of 4,787 local public government agencies, a 15 percent random sample ( $n = 734$ ) was drawn. Selected agencies were mailed a cover letter explaining the importance of the study, a survey instrument, and a pre-stamped return envelope. A post card reminder was sent to each agency three weeks after the initial mailing; one follow up mailing, again requesting participation and a second survey instrument, was sent three weeks later.

During the data collection process, some agency mailings were returned as undeliverable. Efforts were made to correct the addresses and re-mail the request to participate in the study. In the end, the addresses of only four agencies could not be identified. Removing them from the effective sample, a total of 730 agencies had the opportunity to participate in the study. A total of 333 agencies responded and provided usable data for analysis purposes, resulting in an effective response rate of 45.6 percent.

#### RESULTS

##### Descriptions of Agencies:

- The overwhelming majority of the respondents (86.7 percent) were from agencies they described as general-purpose government. Another 11.5 percent of the respondents described their agency as being a special purpose district.
- A slight majority of the agencies (42 percent) operate under a July 1 fiscal year, but the number of agencies operating under a fiscal year that begins January 1 was a close second (38.3 percent). Twelve percent of the respondents used a October 1 fiscal year.
- The largest number of agencies served populations of 10,000–24,999 (26.3 percent). However, there was a fairly even distribution of the remaining agencies across the spectrum of area population. For example, 15.4 percent of the respondents served the smallest category of population (under 10,000); slightly less than 20 percent served populations of 25,000–49,999; slightly over 15 percent served populations of 50,000–99,999; and, 12.4 percent were in communities of 100,000–249,999.
- The number of full-time equivalent employees serving these agencies ranged from zero to 1,239. Almost 21 percent had no full-time employees. However, the average number of full-time equivalent staff was slightly under 57 employees. The median was 9.5 full-time employees.
- These agencies also depended on an average of 324 volunteers. The estimated number of volunteers working for these agencies ranged from zero (26.2 percent) to 15,100.
- The average size of respondent agency land systems was 1,776 acres. Size ranged from zero (7.3 percent) to 65,528 acres. Of that total, 28 percent of this acreage was undeveloped.

##### Agency Finances:

- Agencies reported fiscal year 2005 operating budgets of slightly under \$9.8 million. The smallest 2005 operating budget was \$3,067; the largest budget was over \$1.2 billion.
- Between the years 2000–2004, most agencies experienced an increase in their capital investments (98.4 percent). Only 1.6 percent reported a decrease. On average, agencies increased their size by over 520 acres during this period through their capital investment program. The largest increase reported was 80,000 acres. However, over 42 percent saw no increase in acreage.
- Capital investment programs increased the estimated investment value of agencies by an average of \$4.6 million. One agency reported increasing their investment value by \$160 million.
- The average capital improvement budget for fiscal year 2005 was \$5,366,774. Agency capital improvement programs (CIP) ranged from zero (7.9 percent) to over \$756 million. Of their total CIP budget, an average of \$479,712 will be used for fee simple acquisition of land/water. Almost \$9,000 will be expended for leases or easements; over \$1.6 million will be spent for new construction and/or development; and, approximately \$1.17 million will be expended for rehabilitation and/or restoration of existing lands or facilities.
- In fiscal year 2005, agencies estimated that they would acquire permanent public interest in almost 25 acres of additional land. Over 73 percent of the re-

spondents would acquire no new acreage in 2005; two agencies expect to increase by 1,000 acres.

- Only 27.4 percent of the agencies reported having mandatory dedication laws; slightly more had payment in-lieu of dedication requirements (29.2 percent). Thirty-five percent impose impact fees for parks and recreation.

- In fiscal year 2005, agencies expect to receive gifts, bequeathals, dedications or by other non-purchase means, permanent public interest in slightly less than 25 acres of land. Almost 80 percent expected to receive no new land via non-purchase means in fiscal year 2005.

#### Agency Needs—fiscal year 2005–2009:

- Over the next five years, agencies estimated a need to acquire an average of 285 acres of recreational land/water. Where 30.4 percent of the agencies indicated they needed no new acreage over the next five years, others' responded that they needed up to 16,000 acres.
- During the same five-year period, agencies estimated a need for an average of \$15.3 million for capital improvement programs. Very few (<5 percent) indicated no need. One agency reported a need of \$285 million.
- Of agencies' total capital investment needs over the next five years, agencies reported needing an average of \$2.48 million for fee simple acquisition of land/water. They also reported needing an average of \$98,606 for leases, easements, and other non-title acquisition, an average of \$7.34 million for new construction or development, and \$4.62 million for rehabilitation and restoration.
- Each of the estimates for space and capital improvement funding was derived either through staff assessments and estimates (55.8 percent) or a comprehensive public planning process (32.2 percent).
- When asked the purpose of land acquisition, agencies ranked "expanding public recreational access generally" as the foremost reason. This was followed by "eliminating or reducing specific recreation deficiencies," "conserving specific natural resource features," and "shaping and controlling direction of land use change."
- Over the next five years, three-fourths of all agencies expect a shortfall in agency capital investment funding.
- Agencies reported that approximately 42 percent of the CIP funding would come from general tax revenues. Further, they reported that local bond and revenue issues would account for 17.5 percent of their funding. State grants (8.9 percent), fees/charges (6 percent), federal grants (5.4 percent), and private gifts/donations (2.6 percent) were the other primary sources of capital investment funding.
- Looking to the future over the next five years, respondents reported that general tax revenues would decrease as a proportion of CIP funding (37.6 percent), as would fees/charges (5.9 percent). Local bonds and revenue issues (20.9 percent), federal grants (6.4 percent), and private gifts/donations (4.5 percent) would increase in importance over the next five years. The dependency of agencies on state grants will remain about the same (8.8 percent).
- A majority of agencies (70 percent) stated that if greater amounts of federal assistance were available, it would leverage an increase in capital investments provided through local fiscal sources. Twenty-eight percent indicated their investments would remain the same. Very few indicated their local investments would decrease (2.4 percent).
- Slightly more than half of the respondents indicated their agency had the powers of eminent domain/condemnation authority for recreation resource protection and use (58.3 percent). Less than 10 percent of the agencies had used this authority to acquire land over the past five years.
- Of those that had used this authority, the reasons for its use was (1) to purchase resources from unwilling sellers, (2) to allow the courts to set fair market value, (3) to create clear title to the property, and (4) to protect the resource from an imminent threat.
- Local factors or other priorities have negatively influenced investments in public parks and recreation, in about 68 percent of local jurisdictions. Agencies reported that "local economic budget stress" was the most important factor depressing investment, followed by "homeland security and first responder" priorities.

LOCAL GOVERNMENT PARK AND RECREATION CAPITAL INVESTMENT NEEDS, FISCAL YEAR 2005 AND FISCAL YEARS 2005–2009

Population size	Percent agencies	Factor <sup>1</sup>	Capital budget 2005 sample mean	Space needs 2005–2009 sample mean (acreage)	Capital needs 2005–2009 sample mean	Est. local govt capital budget 2005	Est. local govt space needs—2005–2009 (acreage)	Est. local govt capital inv. needs—2005–2009
9,999 and under .....	15.4	737.198	\$459,667	10.875	\$1,446,136	\$338,865,849	8,017	\$1,066,088,835
10,000–24,999 .....	26.3	1,258.98	405,684	34.490	2,493,045	510,748,287	43,422	3,138,696,855
25,000–49,999 .....	19.6	938.252	2,789,692	72.153	6,988,100	2,617,433,996	67,698	6,556,599,255
50,000–99,999 .....	15.1	722.837	1,804,671	219.146	10,114,108	1,304,482,842	138,407	7,310,851,531
100,000–249,000 .....	12.4	593.588	3,102,271	343.239	28,567,877	1,841,470,969	203,743	16,957,548,760
250,000–499,999 .....	4.2	201.054	4,402,255	1,445.830	52,742,385	885,090,876	290,691	10,604,067,396
500,000 and over .....	6.9	333.303	54,511,580	1,765.170	81,197,401	18,168,873,178	588,338	27,063,337,315
Totals .....	99.9	.....	67,475,820	3,890.910	183,549,053	25,666,965,996	1,360.314	72,697,189,947

<sup>1</sup> Based on total population of 4,787 agencies.

## PREPARED STATEMENT OF THE NORTHERN COLORADO WATER CONSERVANCY DISTRICT

I am requesting your support and assistance in insuring continued funding for the Upper Colorado River Endangered Fish Recovery Program and the San Juan River Basin Recovery Implementation Program. These ongoing cooperative programs have the dual objectives of recovering four species of endangered fish while water use continues and water development proceeds in compliance with the Endangered Species Act of 1973, state law, and interstate compacts. Partners in the two programs are the States of New Mexico, Colorado, Utah and Wyoming, Indian tribes, federal agencies and water, power and environmental interests. I respectfully request support and action by the Subcommittee that will provide the following:

An increase of \$691,000 in the fiscal year 2006 Recovery Element budget (Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element) allocated to "Colorado River fish recovery project" to allow U.S. Fish and Wildlife Service (FWS) Region 6 to meet its funding commitment to the Upper Colorado River Endangered Fish Recovery Program. This is the level of funding appropriated in fiscal years 2003, 2004 and 2005 for this program. These funds are needed for FWS direct participation in managing and implementing the Upper Colorado Program's actions, monitoring achievement of recovery goals, managing data associated with fish population abundance and sampling, evaluating stocking, and monitoring fish and habitat response to recovery actions.

The appropriation of \$437,000 in operation and maintenance funds (Resource Management Appropriation; Fisheries Activity; Hatchery Operations & Maintenance Subactivity, Hatchery Operations Project) to support the ongoing operation of the FWS' Ouray National Fish Hatchery in Utah during fiscal year 2006.

An increase of \$211,000 in the "Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element" budget allocated to the "San Juan River Recovery Implementation Program." These funds are needed to support the FWS Recovery Program Coordinator and staff who are responsible for program management and support of all Recovery Program activities.

The enactment of Public Law 106-392, as amended by Public Law 107-375, authorized the Federal Government to provide up to \$46 million of cost sharing for these two ongoing recovery programs' remaining capital construction projects. Raising and stocking of the endangered fish produced at program hatchery facilities, restoring floodplain habitat and fish passage, regulating and supplying instream habitat flows, installing diversion canal screens and controlling nonnative fish populations are key components of the programs' ongoing capital construction projects. Subsection 3(c) of Public Law 106-392 authorizes the Secretary of the Interior to accept up to \$17 million of contributed funds from Colorado, Wyoming, Utah, and New Mexico, and to expend such contributed funds as if appropriated for these projects; and provides for an additional \$17 million to be contributed from revenues derived from the sale of Colorado River Storage Project (CRSP) hydroelectric power. This substantial non-federal cost-sharing funding demonstrates the strong commitment and effective partnerships embodied in both of these successful programs. The requested federal appropriations are critically important to these efforts moving forward.

The support of your Subcommittee in past years is greatly appreciated and has been a major factor in the success of these multi-state, multi-agency programs as they have progressed forward towards delisting the endangered fish species in the Upper Colorado and San Juan River Basins while necessary water use and development activities are occurring. I request the Subcommittee's assistance to ensure that the FWS is provided with adequate funding for these vitally important programs.

## PREPARED STATEMENT OF PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM

Mr. Chairman and members of the subcommittee: The Partnership for the National Trails System appreciates your support over the past several years, through operations funding and earmarked Challenge Cost Share funds, for the national scenic and historic trails administered by the National Park Service. We also appreciate your increased allocation of funds to support the trails administered and managed by the Forest Service and your support for the trails in the Bureau of Land Management's National Landscape Conservation System. To continue the progress that you have fostered, the Partnership requests that you provide annual operations funding for each of 23 of the national scenic and historic trails for Fiscal Year 2006 through these appropriations:

—National Park Service: \$9.980 million for the administration of 18 trails and for coordination of the long-distance trails program by the Washington Park Service office.

- USDA Forest Service: \$3.037 million to administer 4 trails and \$933,000 to manage parts of 16 trails administered by the Park Service or Bureau of Land Management; Construction: \$1.2 million for the Continental Divide Trail, \$500,000 for the Florida Trail, and \$1 million for the Pacific Crest Trail.
  - Bureau of Land Management: to administer the Iditarod National Historic Trail: \$250,000, the Camino Real de Tierra Adentro National Historic Trail: \$389,000, the Old Spanish National Historic Trail: \$150,000 and \$3.38 million to manage portions of 9 trails administered by the Park Service or the Forest Service; \$407,000 for operating the Casper NH Trail interpretive center.
  - We ask that you appropriate \$7 million for the National Park Service Challenge Cost Share Program and continue to earmark \$2.5 million for Lewis & Clark Bicentennial projects and one-third of the remaining \$4.5 million (approximately \$1.5 million) for the other 17 national scenic and historic trails it administers or create a separate \$1.5 million National Trails System Challenge Cost Share Program.
  - We ask that you add \$500,000 to the Bureau of Land Management's Challenge Cost Share Program and earmark the money for the 12 national scenic and historic trails it administers or manages.
  - We ask that you appropriate \$1.253 million to the National Park Service National Center for Recreation and Conservation to support the second year of a five-year interagency pilot project to develop a consistent system-wide Geographic Information System (GIS) for the National Trails System.
- We ask that you appropriate from the Land and Water Conservation Fund:
- to the Forest Service: \$5 million to acquire land for the Pacific Crest Trail, \$250,000 for management of the Pacific Crest Trail land acquisition program; \$150,000 to acquire land for the Overmountain Victory Trail in North Carolina;
  - to the Bureau of Land Management: \$1.5 million to acquire land for the Pacific Crest Trail and \$1.6 million to acquire land for the Oregon Trail in Oregon;
  - to the Park Service: \$4 million to grant to the State of Wisconsin to match state funds to acquire land for the Ice Age Trail.

#### NATIONAL PARK SERVICE

We request \$1.253 million to fund the second year of a 5-year interagency effort to develop a consistent GIS for all 24 national scenic and historic trails. This initiative is described in the August 2001 report (requested by Congress in the fiscal year 2001 appropriation) "GIS For The National Trails System" and is built upon work already underway on the Ice Age, Appalachian, Florida, Oregon, California, Mormon Pioneer and Pony Express Trails to develop consistent information and procedures that can be applied across the National Trails System. The requested funding will be shared with the Bureau of Land Management and the Forest Service.

The \$9.980 million we request for Park Service operations includes increases for many of the trails to continue the progress and new initiatives made possible by the \$975,000 funding increase provided for nine of the trails in fiscal year 2001 and the \$500,000 increases provided in fiscal year 2004 and fiscal year 2005. We ask you to direct the Park Service to add the \$500,000 increase that you provided for fiscal year 2005 to the base funding of the trails that received it. \$73,000 of our requested increase will finally provide significant operational support for the Natchez Trace Trail, which currently receives only \$27,000 in annual operations funding. Another \$630,000 will enable the Park Service to begin managing three new national historic trails—Ala Kahakai, El Camino Real de Tierra Adentro, and Old Spanish—the latter two administered with the Bureau of Land Management. These funds will provide full-time management, support projects for these trails and development of Comprehensive Management Plans for the Ala Kahakai and Old Spanish Trails. We also request \$200,000 for maintenance of the Pacific Crest Trail in Kings Canyon/Sequoia, Lassen, and North Cascades National Parks.

We request an increase of \$823,000 to continue and expand Park Service efforts to protect cultural landscapes at more than 200 significant sites along the Santa Fe Trail, to develop GIS mapping, and to fund public outreach and educational programs of the Santa Fe Trail Association. An increase of \$451,000 for the Trail of Tears will enable the Park Service to work cooperatively with the Trail of Tears Association to develop a GIS to map the Trail's critical historical and cultural heritage sites so they can be protected and interpreted for visitors.

The \$100,000 increase we request for the interagency Salt Lake City Trails office will enable the Park Service to continue developing comprehensive interpretation and auto tour guides for the Oregon, California, Mormon Pioneer and Pony Express Trails with a library of images derived from the GIS map database of the trails.

We request \$1,777,000 to continue funding the regular operation of the Lewis & Clark Trail and the operation of "Corps II," a major component of the Federal government's commemoration of the Bicentennial of the Lewis & Clark Expedition in the final year of that commemoration.

All of these trails are complicated undertakings, none more so than the 4,000 mile North Country Trail. With more than 650 miles of Trail across 7 national forests in 5 states there is good reason for close collaboration between the Park Service and Forest Service to ensure consistent management that provides high quality experiences for hikers. Limited budgets for both agencies have severely hampered their ability to practice this effective management procedure. The \$845,000 we request will give them that ability for the first time while also providing greater support for the regional and local trail building and management led by the North Country Trail Association, hastening the day when our nation's longest national scenic trail will be fully opened for use.

The \$893,000 we request will enable the Park Service to help WDNR and other partners to accelerate acquisition of land for the Ice Age Trail and further development of the Trail GIS to more efficiently plan resource protection, trail construction and maintenance to correct unsafe conditions and better mark the Trail for users. The funds will also provide assistance to the Ice Age Park & Trail Foundation to better equip, train and support the volunteers who build and maintain the Ice Age Trail and manage its resources.

Challenge Cost Share programs are one of the most effective and efficient ways for Federal agencies to accomplish a wide array of projects for public benefit while also sustaining partnerships involving countless private citizens in doing public service work. The Partnership requests that you appropriate \$7 million in Challenge Cost Share funding to the Park Service for fiscal year 2006 as a wise investment of public money that will generate public benefits many times greater than its sum. We ask you to continue to direct \$2.5 million for Lewis & Clark Bicentennial projects and one-third of the other \$4.5 million for the national scenic and historic trails to continue the steady progress toward making these trails fully available for public enjoyment. We suggest, as an alternative to the annual earmarking of funds from the Regular Challenge Cost Share program, that you establish a separate National Trails System Challenge Cost Share program with \$1.5 million funding.

#### USDA—FOREST SERVICE

As you have done for several years, we ask that you provide additional operations funding to the Forest Service for administering three national scenic trails and one national historic trail, and managing parts of 16 other trails. We ask you to appropriate \$3.037 million as a separate budgetary item specifically for the Continental Divide, Florida and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail. Full-time managers have been assigned for each of these trails by the Forest Service. Recognizing the on-the-ground management responsibility the Forest Service has for 838 miles of the Appalachian Trail, more than 650 miles of the North Country Trail, and sections of the Ice Age, Anza, Caminos Real de Tierra Adentro and de Tejas, Lewis & Clark, California, Iditarod, Mormon Pioneer, Old Spanish, Oregon, Overmountain Victory, Pony Express, Trail of Tears and Santa Fe Trails, we ask you to appropriate \$933,000 specifically for these trails.

Work is underway, supported by funds you provided for the past five years, to close several major gaps in the Florida National Scenic Trail. The Florida Trail Association has built 100 miles of new Trail across Eglin Air Force Base, in the Ocala National Forest, Big Cypress National Preserve and along Lake Kissimmee and the Choctawhatchee River. FTA volunteers helped clear trees and other debris scattered across 850 miles of trail by four hurricanes in 2004. The Partnership requests an additional \$500,000 for trail construction in fiscal year 2006 to enable the Forest Service and FTA to build 90 more miles on these and other segments of the Florida Trail.

The Continental Divide Trail Alliance, with Forest Service assistance and funding from the outdoor recreation industry, surveyed the entire 3200 mile route of the Continental Divide Trail documenting \$10.3 million of construction projects needed to complete the Trail. To continue new trail construction, begun with fiscal year 1998 funding, we ask that you appropriate \$1.2 million to build or reconstruct 267 miles of the CDT in fiscal year 2006.

A Forest Service lands team is working with the Pacific Crest Trail Association (PCTA) and the Park Service National Trail Land Resources Program Center to map and acquire better routes for the 300 miles of the Pacific Crest Trail located on 227 narrow easements across private land or on the edge of dangerous highways. We request \$200,000 to continue the work of the fulltime Trail Manager and the

lands team and \$100,000 for Optimal Location route planning. We also request \$1 million for new trail construction and reconstruction of fire and flood damaged bridges along the PCT in California and Washington by the Forest Service and the PCTA.

#### BUREAU OF LAND MANAGEMENT

While the Bureau of Land Management has administrative authority only for the Iditarod, El Camino Real de Tierra Adentro, and the Old Spanish National Historic Trails, it has on-the-ground management responsibility for 641 miles of two scenic trails and 3,115 miles of seven historic trails administered by the National Park Service and U.S. Forest Service. The significance of these trails was recognized by their inclusion in the National Landscape Conservation System and, for the first time, in fiscal year 2002, by provision of specific funding for each of them. The Partnership applauds the decision of the Bureau of Land Management to include the national scenic and historic trails in the NLCS and to budget specific funding for each of them. We ask that you continue to support the funding for the National Landscape Conservation System and that you appropriate for fiscal year 2006 \$250,000 for the Iditarod National Historic Trail, \$389,000 for El Camino Real de Tierra Adentro National Historic Trail, \$150,000 to continue development of the Comprehensive Management Plan for the Old Spanish National Historic Trail, \$300,000 for construction of new sections of the Continental Divide National Scenic Trail, \$100,000 for maintenance of the Pacific Crest Trail, and \$2.980 million, as requested by the Administration, for management of the portions of the seven other trails under the care of the Bureau of Land Management. We also request \$1.5 million for construction of the California Trail Interpretive Center in Elko, Nevada, \$407,000 to operate the Historic Trails interpretive center in Casper, Wyoming, and \$1 million for construction of safety and other recreational improvements along the Iditarod National Historic Trail.

#### LAND AND WATER CONSERVATION FUND

The Partnership requests that you fully appropriate the \$900 million annual authorized appropriation from the Land and Water Conservation Fund and that you make the specific appropriations for national scenic and historic trails detailed at the beginning of this statement and in Attachment 2. The \$5.250 million we request for the Pacific Crest National Scenic Trail will continue acquisition underway by the Forest Service and Park Service. The \$150,000 requested for the Overmountain Victory National Historic Trail will protect a key link and access to a 7-mile section of the trail in the Pisgah National Forest in North Carolina.

The \$3.1 million requested for the Bureau of Land Management will protect a key section of the Pacific Crest National Scenic Trail and an important historical site along the Oregon National Historic Trail in Oregon.

The National Trails System Act encourages states to assist in the conservation of the resources and development of the national scenic and historic trails. Wisconsin has matched \$6.93 million of fiscal year 2000–2005 LWCF funding with more than \$17.5 million to help conserve the resources of the Ice Age National Scenic Trail. With this 2.5:1 match of State to Federal funds, Wisconsin has purchased 26 parcels totaling 5,553 acres and now has another 40 parcels under negotiation, appraisal or option to purchase. The National Park Service has spent an additional \$3 million to protect the Ice Age Trail interpretive site. All of the LWCF funds appropriated by Congress for the Ice Age NST have been spent. The requested \$4 million Land and Water Conservation Fund grant to Wisconsin will continue this very successful Federal/State/local partnership for protecting land for the Ice Age Trail.

The essential funding requests to support the trails are detailed in Attachment 2.

#### PRIVATE SECTOR SUPPORT FOR THE NATIONAL TRAILS SYSTEM

Public-spirited partnerships between private citizens and public agencies have been a hallmark of the National Trails System since its inception. These partnerships create the enduring strength of the Trails System and the trail communities that sustain it by combining the local, grass-roots energy and responsiveness of volunteers with the responsible continuity of public agencies. They also provide a way to enlist private financial support for public projects, usually resulting in a greater than equal match of funds.

The private trail organizations commitment to the success of these trail-sustaining partnerships grows even as Congress' support for the trails has grown. In 2004 the trail organizations channeled 668,996 hours of documented volunteer labor valued at \$11,801,091 to help sustain the national scenic and historic trails. The or-



ganizations also applied private sector contributions of \$6,449,719 to benefit the trails. These contributions are documented in Attachment 1.

ATTACHMENT 1—CONTRIBUTIONS MADE IN 2004 TO SUPPORT THE NATIONAL TRAILS SYSTEM BY  
NATIONAL SCENIC AND HISTORIC TRAIL ORGANIZATIONS

Organization	Volunteer hours	Estimated value of volunteer labor	Financial contributions
Appalachian Trail Conference .....	174,902	\$3,085,271	\$3,099,000
Camino Real Trail Association .....	3,230	56,977	<sup>1</sup> 1,000
Continental Divide Trail Society .....	<sup>1</sup> 1,500	26,460	.....
Continental Divide Trail Alliance .....	21,700	382,788	592,948
Florida Trail Association .....	<sup>1</sup> 60,000	1,058,400	165,000
Ice Age Park & Trail Foundation .....	87,256	1,539,196	631,761
Iditarod National Historic Trail, Inc. ....	<sup>1</sup> 3,920	69,149	<sup>1</sup> 80,000
Heritage Trails/Amigos De Anza & others .....	.....	.....	.....
Anza Trail Coalition of Arizona .....	6,870	121,187	<sup>1</sup> 12,000
Lewis & Clark Trail Heritage Foundation .....	54,737	965,561	300,000
Mormon Trails Association .....	1,390	24,520	2,040
Iowa Mormon Trails Association .....	<sup>1</sup> 750	13,230	<sup>1</sup> 2,080
Nebraska Mormon Trails Association .....	<sup>1</sup> 125	2,205	<sup>1</sup> 2,635
National Pony Express Association .....	35,647	628,813	25,000
Pony Express Trail Association .....	5,685	100,283	38,176
Nez Perce Trail Foundation .....	3,140	55,390	5,082
North Country Trail Association .....	42,297	746,119	205,877
Old Spanish Trail Association .....	8,081	142,549	43,703
Oregon-California Trails Association .....	57,926	1,021,815	591,559
Overmountain Victory Trail Association .....	<sup>1</sup> 800	14,112	.....
Pacific Crest Trail Association .....	34,100	601,524	434,500
Potomac Trail Council .....	<sup>1</sup> 1,500	26,460	.....
Santa Fe Trail Association .....	<sup>1</sup> 32,600	575,064	156,400
Trail of Tears Association .....	30,840	544,018	60,958
Totals .....	668,996	11,801,091	6,449,719

<sup>1</sup> Estimate.

**ATTACHMENT 2—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM REQUESTED FISCAL YEAR 2006 APPROPRIATIONS FOR THE NATIONAL TRAILS SYSTEM**

Agency/Trail	Fiscal year		Project/programs possible with increased funding
	2005 cong. approp.	2006 admin. request	2006 partners request
Park Service:			
Ala Kahakai .....	\$229,000	7 \$231,000	\$231,000
Appalachian .....	1,137,000	1,155,000	1,155,000
Natchez Trace .....	27,000	27,000	100,000
El Camino Real .....	111,000	7 111,000	242,000
California .....	253,000	253,000	278,000
Ice Age .....	579,000	7 588,000	893,000
Juan Bautista de Anza .....	256,000	7 262,000	262,000
Lewis & Clark .....	1,749,000	7 1,777,000	1,777,000
Mormon Pioneer .....	128,000	128,000	153,000
North Country .....	641,000	7 641,000	845,355
Old Spanish .....	72,000	72,000	157,000
Oregon .....	253,000	7 261,000	286,000
Overmountain Victory .....	168,000	171,000	188,000
Pony Express .....	182,000	182,000	207,000
Potomac Heritage .....	250,000	252,000	252,000
Santa Fe .....	674,000	1 7 693,000	1,515,000
Selma to Montgomery .....	297,000	7 304,000	304,000
Trail of Tears .....	333,000	7 333,000	784,000
NTS-Washington Office .....	294,000	7 297,000	350,000
National Trails System .....	7,633,000	7,738,000	9,980,355
Challenge Cost Share .....	2 7,343,000	3 4,916,000	7,000,000
Interagency GIS Project .....	.....	.....	4 1,253,000
BLM:			
Iditarod Trail .....	165,000	179,000	250,000

El Camino Real .....	268,000	308,000	389,000	Collaborative administration and management with National Park Service; Full-time Trail Administrator; Site certification and protection;
Old Spanish .....	102,000	52,000	150,000	Full-time Trail Administrator; Collaborative administration and management with National Park Service; Continue preparation of Comprehensive Management Plan; Site protection and interpretation;
Continental Divide .....	115,000	211,000	300,000	Marking 230 miles of CDT in Wyoming and work in Idaho, Montana and New Mexico; Interagency management collaboration;
Pacific Crest .....	90,000	90,000	190,000	PCT maintenance in California; Interagency management collaboration;
Juan Bautista de Anza .....	56,000	84,000	84,000	Interpretive exhibits for Anza Trail in Arizona and California;
California .....	163,000	179,000	179,000	California Trail resource inventories in Utah, Nevada and California;
Lewis & Clark .....	1,818,000	1,976,000	1,975,000	Lewis & Clark Bicentennial preparations and activities in Idaho and Montana;
Mormon Pioneer .....	129,000	145,000	145,000	
Nez Perce .....	43,000	149,000	149,000	Lewis & Clark Bicentennial preparations in Idaho and Montana;
Oregon .....	144,000	210,000	210,000	Interagency management collaboration;
Pony Express .....	121,000	147,000	147,000	Marking Pony Express Trail in Utah and Nevada;
National Trails System .....	3,164,000	3,730,000	4,169,000	Total National Trails System operations funding
Casper NHT Center .....	407,000	.....	407,000	Operating Oregon, California, Mormon Pioneer, and Pony Express National Historic Trails interpretive center;
Construction of:				
California Trail Interpretive Center-NW .....	1,500,000	.....	1,500,000	Continued funding for construction of California National Historic Trail interpretive center in Elko, Nevada;
Iditarod Trail .....	.....	.....	1,000,000	Safety and other recreational improvements along Iditarod National Historic Trail;
FOREST SERVICE:				
Continental Divide .....	493,000 +	.....	754,000	Continued support for full administrative responsibility and for consistent interagency collaboration for each trail; support for consistent management with trail organization and local agency partners; trail brochures, signs, project planning etc.; Also \$572,500 to plan 382 new miles of CDT; \$200,000 for work of full-time Trail administrator and \$100,000 for Optimal Location Planning for PCT and \$100,000 to increase Trail maintenance by volunteers coordinated by PCIA; \$650,000 to continue collaboration with Florida Trail Association to inventory 430 miles of the Florida Trail and further develop Trail GIS; \$500,000 to manage lands acquired for the FNST; \$49,000 to support education and public outreach activities of Nez Perce Trail Foundation;
Florida .....	493,000 +	.....	1,150,000	
Pacific Crest .....	493,000 +	.....	500,000	
Nez Perce Trails .....	394,000 +	.....	633,000	
Total ( + = plus portion of \$1 million allocation) .....	5,2873,000	1,000,000	3,037,000	

## ATTACHMENT 2—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM REQUESTED FISCAL YEAR 2006 APPROPRIATIONS FOR THE NATIONAL TRAILS SYSTEM—Continued

Agency/Trail	Fiscal year			Project/programs possible with increased funding
	2005 cong. approp.	2006 admin. request	2006 partners request	
Appalachian, North Country, Ice Age, Iditarod, California, Juan Bautista de Anza, Caminos Real Tierra Adentro & Tejas, Lewis & Clark, Oregon, Old Spanish, Mormon Pioneer, Overmountain Victory, Pony Express, Santa Fe, Trail of Tears.	906,000	350,000	933,000	Improved trail maintenance, marking, interpretation, archaeological studies, historic site protection and trail-head facilities for trail segments in National Forests; \$200,000 to address deferred maintenance, remove blowdown trees on 30 miles of trail, make improvements and provide liaison for collaborative management of the North Country Trail with National Park Service; Re-location and reconstruction of sections of the Appalachian Trail, replacement of major bridges and installation of toilets at shelters;
Continental Divide Trail .....	986,000	.....	1,200,000	Trail construction projects along the Continental Divide Trail: reconstructing or building 267 miles of trail in Montana, Idaho, Wyoming, Colorado and New Mexico;
Florida Trail .....	493,000	.....	500,000	Trail construction projects totaling 90 miles in Seminole State Forest, Aucilla Wildlife Refuge and along the Choctawhatchee, Kissimmee, Yellow, and Suwannee Rivers;
Pacific Crest Trail .....	986,000	.....	1,000,000	Trail construction projects along the Pacific Crest Trail, including reconstruction of fire and storm damaged bridges and structures in California and Washington; Fabrication and installation of roadside interpretive signs at Trail highway crossings;
National Trails System .....	6,244,000	1,350,000	6,670,000	Total: National Trails System funding
Nat. Forest System:				
Trail Maintenance .....	41,496,000	.....	.....	Trail maintenance throughout the National Forest System.
Trail Construction .....	35,278,000	.....	.....	New trail construction and trail re-construction throughout the National Forest System.
Capital Improvement & Maintenance—Trails .....	76,774,000	63,700,000	80,000,000	Trail maintenance and new trail construction throughout the National Forest System.
LWCF FOR TRAILS:				
LWCF grant—FS Pacific Crest .....	.....	1,000,000	5,000,000	USDA-Forest Service acquisition of lands in southern California, Oregon and southern Washington to preserve the scenic integrity of the Pacific Crest Trail.
LWCF grant—BLM Pacific Crest .....	.....	.....	1,500,000	BLM acquisition of Sky King Cole Ranch in the Cascade Siskiyou National Monument, including land along Pacific Crest Trail.
LWCF grant—FS Pacific Crest .....	.....	.....	250,000	Land acquisition program management.
LWCF grant—FS Florida .....	2,000,000	.....	.....	
LWCF grant—FS Appalachian .....	1,500,000	.....	.....	
LWCF grant Ice Age—Wisconsin <sup>6</sup> .....	1,000,000	.....	4,000,000	Assistance provided to State of Wisconsin to protect threatened Ice Age Trail corridor and connect trail segments across private land in Dane, Chippewa, Columbia.
LWCF grant—BLM Oregon .....	1,000,000	1,600,000	1,600,000	BLM acquisition of land along the Sandy River in Oregon.
LWCF grant—FS Overmountain Victory .....	.....	.....	150,000	USDA-Forest Service acquisition of land to protect key link in the Overmountain Victory Trail in North Carolina.
LWCF grant—BLM Lewis & Clark .....	3,500,000	.....	.....	

LWCF grant—NPS Lewis & Clark .....	5,000,000	.....	.....
Total .....	14,000,000	2,600,000	12,500,000

<sup>1</sup> Includes \$261,000 for operations of Santa Fe Park Service office, not related to the Santa Fe Trail.  
<sup>2</sup> Includes \$4,902 million earmarked for Lewis & Clark Bicentennial projects. One-third of the remaining funds (about \$813,000 of \$2.44 million) are earmarked for National Trails System projects.  
<sup>3</sup> Administration request does not allocate any funds for the National Trails System. The Congressional earmark is needed to accomplish this.  
<sup>4</sup> Funding request reflects budget detailed in Park Service GIS report delivered to Congress in January 2002.  
<sup>5</sup> Appropriation includes: \$2.873 million for administration of the Continental Divide, Florida, and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail, funding for full-time administrators for each trail and land acquisition teams for the Florida and Pacific Crest Trails.  
<sup>6</sup> This would be a grant to the State of Wisconsin to be matched at least 1:1.  
<sup>7</sup> Includes portion of \$500,000 base operations funding increase provided by Congress for fiscal year 2005 which the Park Service considers available to be reprogrammed to other parks in fiscal year 2006 and subsequent years.

## PREPARED STATEMENT OF THE PUYALLUP TRIBE OF INDIANS

Mr. Chairman, my name is Herman Dillon, Sr., Puyallup Tribal Chairman. We thank the Committee for past support of many tribal issues and in your interest today. We share our concerns and request assistance in reaching objectives of significance to the Congress, the Tribe, and to 32,000+ Indians (constituents) in our Urban Service Area.

*U.S. Department of Interior—Bureau of Indian Affairs.*—The Puyallup Tribe has analyzed the President's fiscal year 2006 budget and submit the following detailed written testimony to the Senate Interior Subcommittee on the proposed funding bill for the Dept. of Interior and Related Agencies. In the fiscal year 2005 budget process, the Puyallup Tribe supported actions of Congress to restore the base level funding for various programs. We look forward to working with the 109th Congress to insure that funding levels for programs necessary for the Puyallup Tribe to carry-out our sovereign responsibility of self-determination and self-governance for the benefit of Puyallup tribal members and the members from approximately 435 federally recognized Tribes who utilize our services are included in the fiscal year 2006 budget. The following provides a brief review of the Puyallup Tribe's priorities and special appropriation requests for fiscal year 2006.

*Puyallup Nation Law Enforcement.*—The Puyallup Reservation is located in the urbanized Seattle-Tacoma area of the State of Washington. The 18,061 acre reservation and related urban service area contains 17,000+ Native Americans from over 200 Tribes and Alaskan Villages. The Puyallup Nation Law Enforcement Division currently has 21 commissioned officers to cover 40 square miles of reservation in addition to the usual and accustomed fishing areas. The officers are charged with the service and protection of the Puyallup Reservation seven days a week, twenty-four hours a day. We currently operate with outdated equipment, patrol vehicles requiring constant repair and insufficient staff levels. With the continuing increase in population, increase in gang related activities on the Puyallup Reservation and the impact of the increase in manufacturing of meth amphetamines in the region, the services of the Puyallup Nation Law Enforcement Division are exceeding maximum levels.

A major area of concern is the status of the Tribe's Regional Incarceration Facility. Due to damages from the February 2001 Nisqually earthquake, we have had to relocate to modular/temporary facilities. As a regional detention facility, the relocation to the modular facility not only impacts the Tribe's ability to house detainees but also the approximately 173 native inmates that were incarcerated at the Puyallup Incarceration facility during the period of 2001–2002. Relocation to the modular facility has also impacted the Tribes ability to house juvenile detainees. With no juvenile facilities, Native American youth are sent to non-native facilities. These and other issues regarding the deplorable conditions existing in Indian Detention facilities are documented in the September 2004 report issued by the U.S. Department of Interior Inspector General's Office. We respectfully request congressional support to fund the BIA Law Enforcement program at the \$190 million level proposed in the fiscal year 2006 budget to operate law enforcement services at a safe and effective method. We further request Committee support to fund the Department of Justice—Detention Facilities Construction program for fiscal year 2006 at \$30 million to address deficiencies in tribal detention facilities.

The following list is a brief summary of law enforcement needs of the Puyallup Nation Law Enforcement and Detention Facilities programs;

- Juvenile Incarceration Facility \$2.5 million (est.);
- Staffing for Juvenile Facility—8 employees @ \$320,600;
- Adult Incarceration Facility \$3.5 million (est);
- Additional staff for dispatching center—3 employees @ \$120,800;
- Additional Officers—4 @ \$225,900;
- Equipment; firearms, radios and equipment—\$30,000;

*Fisheries & Natural Resources Management.*—The Puyallup Tribe as steward for land and marine waters in the Usual and Accustomed fish and shellfish areas has treaty and Governmental obligations and responsibilities to manage natural resources for uses beneficial to the regional community. Despite our diligent program efforts, the fisheries resource is degrading and economic losses are incurred by Indian and Non-Indian fisherman, and surrounding communities. Our Resource Management responsibilities cover thousands of square miles in the Puget Sound region of the State of Washington with an obligation to manage production of anadromous, non-anadromous fish and shellfish resources. Existing levels of support are inadequate to reverse the trend of resource/habitat degradation. Resource management is constrained due to funding shortfalls. We seek support and endorsement in the following areas:

—Tribal Fisheries Resource Management, Hatchery Operation and Maintenance funding via Public Law 93–638 contracts have not increased substantially since establishment of base budgets in 1984. The demand on Puyallup Tribal Fisheries Program has grown exponential since the eighties and is currently faced by Endangered Species Act listings on Bull Trout and Chinook Salmon which is in an highly urbanized setting more so than any other Pacific Northwest Tribe. We request Committee support to increase base contract funding in the amount of \$350,000 for additional fisheries staff.

—*Western Washington Timber-Fish-Wildlife Program.*—The TFW Program has allowed for the expansion of tribal participation in the state forest practice rules and regulations that have an affect on listed salmon populations. In fiscal year 2004 Congress restored TFW base funding for the Bureau of Indian Affairs. However, this base funding increase is being proposed to be discontinued in the President's fiscal year 2006 budget. Continued funding in this area is essential to facilitate tribal participation in monitoring, research, data analysis and adaptive management processes that are a cornerstone to the TFW process. We request Committee support for base funding level of \$3.555 million to the TFW fiscal year 2006 budget.

—*Unresolved Hunting and Fishing Rights Program.*—The Medicine Creek Treaty secured the Puyallup Tribe and other tribes the right to hunt on open and unclaimed lands. This treaty right is reserved in the same paragraph that also reserved the right to fish and gather shellfish. Unfortunately, the BIA program that is designed to support this treaty activity has not received adequate, if any, appropriations in the last several years. Funds that were made available to tribes have been on a competitive basis with a maximum amount per program due to limited funding. The Puyallup Tribe has established a Hunting-Wildlife Management program that works cooperatively with signatory Tribes to the Medicine Creek Treaty, Washington Department of Fish and Wildlife, U.S. Forest Service and the National Park Service. For further development and participation in unresolved hunting issues, the Puyallup Tribe is requesting Committee support for establishment of base funding of \$95,000 for the Hunting-Wildlife Management Program.

*Tribal Priority Allocation & Contract Support Costs.*—The President's fiscal year 2006 budget calls for \$2.28 billion to be allocated to the Bureau of Indian Affairs, which is a decrease of \$110 million from the fiscal year 2005 enacted level. This request includes \$760 million for Tribal Priority Allocations (TPA), a \$9.4 million decrease from the fiscal year 2005 enacted level. These decreases proposed by the Administration are on top of the continued funding short fall for critically needed tribal programs supported by TPA funding. TPA budget activity includes the majority of funding used to support on-going services at the "local tribal" level, including; law enforcement, natural resources management (fisheries), child welfare, housing, tribal courts and other tribal governmental services. TPA has not received adequate funding to allow tribes the resources to fully exercise self-determination and self-governance. Further, the small increases TPA has received over the past few years have not been adequate to keep pace with inflation. At a minimum, we request your support and endorsement in the following:

—Support by Congress to fund the TPA fiscal year 2006 request at the fiscal year 2005 enacted level as adjusted for inflation, for a minimum request of \$769.4 million.

Another concern the Puyallup Tribe has with the fiscal year 2006 budget request is the on-going issue of contract support costs. The President's fiscal year 2006 budget request includes \$134.6 million to address the Bureau of Indian Affairs continuing contract support costs. At a minimum, we request your support and endorsement in the following:

—Support by Congress to fund the Contract Support Cost fiscal year 2006 request at the fiscal year 2005 enacted level as adjusted for inflation, for a minimum request of \$140.6 million. Full funding of Contract Support is a mandate towards the full realization of Self-determination and Self-governance.

*DHHS Indian Health Service.*—Funding for the Indian Health Service fails to meet the needs of health services for Native Americans. The Puyallup Tribe has been operating their health care programs since 1976 through the Indian Self-determination Act, Public Law 93–638. The Puyallup Tribal Health Authority (PTHA) is a successful ambulatory program that provides comprehensive ambulatory medical dental, mental health, drug and alcohol treatment services to an expanding population in Tacoma and Pierce County, Washington. In fiscal year 2002 it was the

most productive Indian health program in the tri-state areas of Washington, Oregon and Idaho.

Adequate funding for the continued operations and delivery of quality care is essential. PTHA, like most IHS facilities, is being asked to do more with less. The cost of supplies and staff increases as does the eligible population increases, yet funding has not kept pace. IHS has lost \$1.9 billion in purchasing power since 1992. Unlike private practice counterparts, we can not raise fees, negotiate higher reimbursement from insurance companies or restrict the population we serve. Preserving purchasing power and ensuring that medical needs are met must be paramount to IHS and HHS.

Highlights of the IHS Budget request include an increase of \$72 million over the fiscal year 2005 level for a total of \$3.840 million for the Indian Health Service in fiscal year 2006. These increases, however, are off-set by the historic short fall of funding that has failed to keep up with inflation. We request congressional support for the fiscal year 2006 IHS budget in the following areas:

- Fund medical and general inflation costs, which have again reached double digits;
- Fund the increased expenses due to population growth. Although AI/NA population has a 2.1 percent growth rate, growth has not been funded for 11 years;
- Funding for Contract Support Coast should be increased to \$284 million for fiscal year 2006; and
- Index Contract Care to population growth and the medical inflation rate. Contract care is most vulnerable to inflation since services are provided by vendors constrained by IHS guidelines. There are no IHS hospitals in the Pacific Northwest which makes our clinic dependent on Contract Care for necessary specialty referrals and hospital care. Contract Health Services should be increased to \$495 million for fiscal year 2006.

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#### PREPARED STATEMENT OF THE RIVERS AND TRAILS COALITION

Mr. Chairman and members of the Subcommittee, the Rivers and Trails Coalition, composed of local, regional, statewide, and national organizations representing hundreds of thousands of Americans nationwide committed to conservation and recreation, respectfully asks that you fund the National Park Service Rivers, Trails and Conservation Assistance (RTCA) program at \$9.7 million in fiscal year 2006.

Through its Rivers, Trails and Conservation Assistance program, the National Park Service (NPS) implements its natural resource conservation and outdoor recreation mission in communities across America. The Rivers and Trails Coalition formed many years ago to support this invaluable field-based technical assistance program that yields enormous conservation and recreation benefits to communities by fostering partnerships between federal, state, and local interests. The resulting cooperative efforts restore rivers and wildlife habitat, develop trail and greenway networks, preserve open space, and revitalize communities—all contributing to improved quality of life and close-to-home recreation. RTCA staff provide on-the-ground assistance solely at the request and invitation of communities in coordinating projects, facilitating public meetings, serving as a liaison and convener of government and non-profit groups, assessing and mapping resources, developing promotional materials and events, and identifying sources of funding.

RTCA is a very successful and popular program but continues to lack adequate funding. Current demand for RTCA services greatly exceeds the program's capacity. Despite RTCA's accomplishments in coordinating upwards of 300 projects annually, RTCA funding has remained relatively stagnant during the last decade, virtually flat for the last four years, and has lagged well behind the rate of inflation, resulting in real cuts to the program. The program's declining real budget and funding shortages have resulted in limiting staff positions in several regions, office closures, and reduced staff participation within communities and on-the-ground projects, diminishing essential services of this field-based program. RTCA currently has 80 staff in 33 field offices, compared to 90 staff in 2002. Flat funding results in an annual loss of approximately 4 positions, as personnel costs continue to rise through inflation and cost-of-living increases, while project costs must be cut back. RTCA faces further reductions in service and the loss of additional staff in fiscal year 2006 if the program receives flat or reduced funding.

RTCA is a highly effective and cost efficient program. In 2004 alone, NPS community projects reported more than 680 new trail miles, more than 330 newly protected river miles, more than 22,700 acres of newly protected natural areas.

RTCA receives less than ½ of 1 percent of the total funding for the National Park Service, yet by building local partnerships it succeeds in attracting substantial local



funding every year. In 2004 the program reported more than \$40 million leveraged funding from other sources. This program is an excellent value for the American taxpayer and merits increased funding to accomplish its mission as a community-based National Park Service technical assistance and outreach program.

The Rivers and Trails Coalition supports the NPS current strategic planning effort to include an emphasis on working on issues of common interest to national parks and gateway communities adjacent to national parks. This strategy represents a positive, proactive approach to improving management and brings RTCA and its associated projects and partnerships into closer contact with NPS superintendents and core National Park Service missions. However, the RTCA program is best able to fulfill its mission by assisting all types of communities—urban, rural, and suburban; local, state, and national—to achieve on-the-ground conservation successes for their projects, where the technical assistance is requested and based on true needs. In addition to regional trail systems and greenway development, open space protection, and river corridor protection, projects include transportation alternatives, brownfield redevelopment, youth conservation projects, and floodplain planning, among numerous other conservation and recreation initiatives.

RTCA plays a critical role in creating a nationwide, seamless network of parks and open spaces, supporting conservation partnerships, promoting volunteerism, and encouraging physical activity. The Administration's *HealthierUS* Initiative explicitly highlights RTCA for its efforts in promoting physical activity through the development of local trails, greenways, and parks.

The President's budget proposal for fiscal year 2006 calls for a reduction of \$500,000 to the RTCA program. The Rivers and Trails Coalition respectfully requests that Congress restores funding to this program and increases the program budget by \$1.5 million to meet the real needs that this program serves.

We see evidence in community after community of the value of NPS involvement through productive partnerships, and we can report the unparalleled success of RTCA in bringing greenways, blueways, and creative conservation partnerships to fruition.

Our requested funding level would allow this extremely beneficial program to continue current projects without interruption, restore recent cuts, put staff closer to the people they serve, and meet the outstanding requests from communities around the nation. We strongly believe it makes sense to strengthen programs such as RTCA that support communities through partnerships and capacity-building, enabling local stakeholders to better manage and conserve their recreational and natural resources from the bottom-up.

We urge you to fund the Rivers, Trails and Conservation Assistance program at \$9.7 million in the fiscal year 2006 Interior Appropriations bill to remedy the program's continued erosion, compensate for losses due to inflation, and enable the program to respond to growing needs and opportunities in communities throughout the country. Thank you for your consideration.

Respectfully submitted by the Rivers and Trails Coalition, comprised of the following organizations:

The Accokeek Foundation; American Canoe Association; American Hiking Society; American Rivers; American Society of Landscape Architects; American Trails; American Whitewater; Appalachian Mountain Club; Association of State Floodplain Managers; Bay Circuit Alliance; Bikes Belong Coalition; Conservation District of Southern Nevada; East Coast Greenway Alliance; International Mountain Bicycling Association; National Association of Service & Conservation Corps; National Audubon Society; National Parks Conservation Association; National Recreation and Park Association; New York-New Jersey Trail Conference; New York Parks and Conservation Association; North American Water Trails; Outdoor Industries Association; Rails to Trails Conservancy; Scenic America; Trout Unlimited; Washington Area Bicyclist Association; and Washington Trails Association.

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PREPARED STATEMENT OF THE SANTA CLARA VALLEY WATER DISTRICT, SAN JOSE,  
CALIFORNIA

#### SUMMARY

This statement urges the Committee's support of an appropriation add-on of \$4 million from the United States Environmental Protection Agency in fiscal year 2006 (\$2 million under State and Tribal Assistance Grants and \$2 million under Environmental Programs and Management account).

## PERCHLORATE CLEANUP IN SANTA CLARA COUNTY

*Background.*—The perchlorate originated from a former highway safety flare manufacturing plant owned by Olin Corporation, which was operated for 40 years. Operations ceased in 1996, and perchlorate contamination was discovered in 2000. The Central Coast Regional Water Quality Control Board (Regional Board) is providing regulatory oversight of the contamination case, which has affected several hundred drinking water supply wells. Groundwater is currently the only source of drinking water in this area and over 2,000 families are being provided with bottled water or treated groundwater. Significant concerns remain regarding this community's exposure to perchlorate in their drinking water and perchlorate accumulation in agricultural crops and livestock. To address these concerns and ensure that the groundwater basin in this area is aggressively restored and cleaned up, the Santa Clara Valley Water District (District) is requesting Federal assistance. We request funding to facilitate a prompt and complete cleanup of groundwater resources in the Llagas Valley, Santa Clara County.

*Perchlorate Investigation and Cleanup Status.*—To date, the District has sampled more than 1,000 water supply wells in the Llagas Valley. In addition, Olin Corporation has sampled about 600 wells. Results to date show more than 450 wells with detectable perchlorate above 4 parts per billion. Bottled water is currently being delivered to over 1,600 families and businesses in the area. Olin Corporation has installed perchlorate removal systems on three wells for two small water systems in the San Martin area that serve a total of about 450 customers.

The full extent of perchlorate contamination has not yet been determined. Olin Corporation has installed a groundwater cleanup system at their former manufacturing facility. However, they have not yet presented a plan for cleaning up the 9.5 mile long plume of contamination, controlling additional plume movement, or long-term solutions for well water users who currently rely on bottled water. Olin has advised state officials that they are not prepared to commit to cleanup of perchlorate impacts to private wells until a State or Federal Maximum Contaminant Level (MCL) for perchlorate is established. Adoption of an MCL at the State and Federal levels has been delayed.

Additional funding is necessary to determine the best long-term solution for the entire groundwater basin and initiate cleanup efforts. Funding for District-led initiatives will help break a regulatory deadlock with Olin that is currently preventing meaningful action to protect well owners.

*Fiscal Year 2005 Funding.*—\$1.1 million was appropriated for Perchlorate activities under State and Tribal Assistance Grants in fiscal year 2005. Project applications for fiscal year 2005 funds will include municipal-scale perchlorate removal treatment technology demonstration projects and staffing to manage projects and complete technical analysis.

*Fiscal Year 2006 Funding Recommendation.*—It is requested that the Committee support an appropriation add-on of \$4 million from the United States Environmental Protection Agency in fiscal year 2006 (\$2 million under State and Tribal Assistance Grants and \$2 million under Environmental Programs and Management account).

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PREPARED STATEMENT OF THE SHOSHONE-BANNOCK TRIBES OF THE FORT HALL  
INDIAN RESERVATION

On behalf of the Shoshone-Bannock Tribes of the Fort Hall Reservation, I appreciate the opportunity to present testimony on fiscal year 2006 appropriations for BIA and IHS budgets. We are Idaho's largest tribe, with a reservation population of nearly 8,000 residents, Indian and non-Indian, spread out over a 753 square mile reservation. Like many tribes, we have vast unmet needs in law enforcement, health care, natural resources, education and social services. We oppose the Administration's effort to further reduce funding for BIA- and IHS-funded programs. These proposed reductions impact Indian tribes more severely than other program cuts because Indian programs are significantly under funded. We are troubled that the President's budget contains huge increases for the Office of the Special Trustee (OST) while cutting funds for the BIA programs that most directly serve Indian people. Congress should not fund the OST at the expense of tribal governments. We are grateful to the work of this Committee, and to our senators, for your many efforts to improve the lives of our members. You recognize the devastating impacts to Tribal communities which result from a lack of resources, both human and financial.

This year alone the Shoshone Bannock Tribes will supplement funding for BIA- and IHS-funded programs which serve the Fort Hall Reservation by over \$4 million

dollars. This figure does not include the \$3.9 million the Tribes pays annually to have a fully-funded insurance program which in turn allows the IHS health facility at Fort Hall to bill third party payors. Without such collections, the IHS program serving our reservation is woefully under funded. Our direct service IHS ambulatory clinic operates with a \$5 million budget, with \$1.638 million of that amount financed from third party collections, nearly a third of its budget. Even with these third-party collections, the clinic operates at 60 percent of level of need. If the IHS does not meet its targeted collection figure, the level of need will drop below 60 percent. Simply put, our programs are not meeting the needs of our members. Congress must prioritize Indian programs.

TABLE 1.—SHOSHONE-BANNOCK TRIBES' PROGRAM SHORTFALLS—FISCAL YEAR 2005

Program description	Funding source	Budget amount	Funding amount	Projected shortfall
Law Enforcement .....	BIA .....	\$2,022,443	\$1,135,395	(\$887,048)
Fire/Ambulance .....	BIA .....	1,375,080	20,417	(1,354,663)
Courts .....	BIA .....	1,152,101	214,507	(937,594)
Agricultural Extension .....	BIA .....	61,164	32,188	(28,976)
Survey & Mapping .....	BIA .....	88,767	43,072	(45,695)
Chemical Dependency .....	IHS .....	888,163	512,069	(376,094)
Total .....	.....	.....	.....	(3,630,070)

TABLE 2. TRIBES' TRIBAL HEALTH CONTRACT SUPPORT COST (CSC) SHORTFALLS (FISCAL YEAR 2000–2004 AND 2005 EST.)

Fiscal year	CSC shortfall
2000 .....	(\$12,459)
2001 .....	(42,283)
2002 .....	(50,072)
2003 .....	(86,800)
2004 .....	(229,952)
Total Five Year CSC Shortfall .....	(421,567)
Estimated FY 2005 CSC Shortfall .....	(342,127)

The shortfalls I report to you today do not include shortfalls in Contract Support Cost (CSC) funding which the BIA, IHS, and tribes have been unable to convince the Administration or Congress to fully fund. For the four year period ending in fiscal year 2004, we calculate our IHS Contract Support Cost shortfall at \$421,000. Our fiscal year 2005 shortfall for IHS CSC is estimated to be \$342,000.

It is difficult to convey to you how these shortfalls impact our community. We wish we had more resources so that our Tribes can turn around a troubled youth and make him a productive member of society, not a burden to it; to provide a job to a hard working adult so he can regain his pride and self-worth; to give life-saving medicines to a sick Tribal elder to restore her health so that she may remain vital and productive. Our programs work. We simply seek our equitable share of funds similar to what the federal government provides to states and local governments. Our reservation residents are counted when determining the size of a block grant the United States awards to the State. Without an earmark to pass that grant through to tribal governments, however, we do not receive our share. The funds Congress and the Administration choose to provide Indian tribes continue to go down as our population grows. How great does the crisis need to get before proper attention is paid? Are not U.S. Census and other statistics on American Indian and Alaskan Native (AIAN) unemployment figures, poverty levels, mortality, suicide rates, and motor vehicle accidents enough, without any request from Tribal leaders, to move the Congress and the Administration to act on our behalf?

We want to stand shoulder to shoulder with our Federal, state and local counterparts to improve our reservation's economy, tackle crime and substance abuse, and keep our members healthy and productive citizens. Please increase funding above the President's request for the BIA and IHS budgets for these mostly pass-through funds to Indian tribal governments.

## TRIBAL JUSTICE CENTER (\$5 MILLION)

We seek an appropriation of \$5 million that we will put toward the construction costs for our Tribal Justice Center. With prior appropriations by Congress, for which we are grateful, the Tribes completed designs for our Tribal Justice Center. When completed, the Justice Center will house a 45-member Police Department, 25-member Tribal Court, and an 80-bed adult and 20-bed juvenile corrections facility. The \$5 million in construction funds we request comprise less than 30 percent of the project's estimated cost of \$16.8 million (fiscal year 2005 dollars). We are financing another third of the project with Tribal funds and we are seeking other loans and grants. The cost of this project will only increase if we delay funding.

*Police.*—The Tribal police department has inadequate storage space for evidence. Our police armory needs more safeguards. There is no secure booking area. There is no space for confidential interviews with witnesses. Public business is often conducted outside the building. The dispatchers work in a crowded, under-ventilated space which often overheats.

*Corrections.*—The Adult Corrections facility currently in use does not have multiple exits, sprinklers, or other fire fighting systems. It operates at 132 percent over capacity. All these factors create a hazard to inmates and corrections staff. There is no work-release available. There is no medical facility. We cannot offer educational facilities. There is no secure facility for inmates to receive visitors or to meet with attorneys. There is inadequate plumbing and ventilation at the facility.

*Courts.*—The Tribal Court handles 4,000 cases plus 1,500 juvenile cases. There is inadequate space and facility for the court's records, and only one courtroom. The buildings do not meet plumbing or electric standards. There is no space for defendants to hold confidential meetings with attorneys. This facility also provides inadequate security.

We are witnessing an increase on our reservation in juvenile crimes, methamphetamine abuse, and violence. We need to bring our police, courts and corrections facilities into the 21st century.

## COMMUNITY WATER SYSTEM (\$3 MILLION)

We seek \$3 million to continue construction of a Community Water System. The need for safe drinking water has reached crisis stage on our reservation. Water for many of the reservation's 8,000 residents has been contaminated by ethylene dibromide (EDB), a probable carcinogen. Studies have also found increased levels of nitrate in the water. Thanks to prior appropriations, we have built about 31 of the 145 miles of water line required to be built on our reservation. We seek \$3.0 million in IHS funds to finance the wells, storage tanks and pumps to extend the water line throughout the reservation (requiring design and engineering, right-of-way acquisition, environmental studies, etc.). Despite the Tribes' efforts to secure funding from multiple sources (IHS, USDA, EPA, HUD, ICDBG) as well as provide its own funds for the cost of the water line, the cost for pvc pipe has soared due to the rising cost of oil. We can only finance 5 miles of pipe rather than 15 miles this year due to the increased cost for pvc pipe.

## GAY MINE

We have grown very concerned over environmental contaminants, especially selenium, at Gay Mine, an open phosphate mine located on the reservation. We, along with the State of Idaho, U.S. EPA, U.S. Department of the Interior, and five private mining companies, were signatories to a 2001 Consent Order/Administrative Order on Consent to identify procedures to ensure cost recovery by governmental entities in an Area-Wide Investigation into contamination from phosphate mining operations in southeast Idaho, under CERCLA. The BIA funded an on-site coordinator (OSC), but since January 2004, this position has been vacant. BIA officials inform us that funds to finance site investigations, take samplings, and assess damages under the Natural Resources Damage and Restoration Program are oversubscribed. We submitted a \$5.6 million budget to BIA to finance staff and to undertake a site investigation of soil, water, vegetation, livestock, and big game as well as to build a fence around the affected area.

## PUBLIC LAW 93-638 FISH AND WILDLIFE MANAGEMENT PROGRAMS/AMERICAN FALLS RESERVOIR

*Resident Fisheries Program (\$100,000) and Wildlife Program (\$100,000).*—The Tribes request additional funding to restore and protect the reservation's streams and tributaries so that they can once again support native fish populations. We seek to hire a fisheries technician to perform fencing projects, sloping, willow planting,

rip rap and other activities to repair stream banks and promote habitat restoration which have been compromised by land and water use practices.

The Tribal Fish and Wildlife Program is responsible for the management of threatened and endangered species, development of hunting regulations, monitoring of harvests of various species and resolution of conflicts between humans and wildlife. We cannot fulfill our federal mandates with current appropriations. Our staff has dropped to two full-time employees. Additional funding will permit us to hire an additional wildlife technician to perform tagging, game counts, habitat work and population counts of threatened and endangered species, and replace a 17-year old GMC truck.

*Columbia River Fish Management Program (\$270,400).*—Federal assistance is required in order for the Tribes to participate in the basic processes that regulate salmon recovery and harvest. The Tribes seek funding of \$270,400 in fiscal year 2006 to hire the necessary personnel to fulfill our obligations to work with State, federal and other agencies regarding fisheries management, recovery and harvest activities. Without increased funding, the Tribes cannot ensure that adequate numbers of salmon return to reservation streams to spawn. Current funds do not cover management and harvest tasks.

*American Falls Reservoir Restoration Plan (\$123,000).*—The Tribes request \$123,000 to finance the preparation of a comprehensive Restoration Plan for the American Falls Reservoir. The plan will involve community stakeholders. It would evaluate existing environmental impacts resulting from the Reservoir (stream bank erosion, sediment buildup, fish and national flyway habitat reduction) and generate a report outlining recommended actions to restore, protect, and enhance streams and tributaries and the surrounding habitats for wildlife and human recreation.

#### FORT HALL POLICE DOG PROGRAM (\$132,678.72)

The Tribes request an appropriation of \$132,678.72 to implement the Fort Hall Police Dog Program. The Tribes have the duty to serve and protect all residents of the Reservation. Two major interstates, Interstate 15 (North to South) and Interstate 86 (East to West), and U.S. Highway 191 (North to South), pass through the reservation. This program will assist police officers on patrol, narcotic searches, arson (accelerant) detection and cadaver searches. The program would also promote interagency cooperation with surrounding law enforcement agencies including the Idaho State Police, Bingham and Bannock County Sheriff's Offices and the City of Pocatello Police Department.

#### INCREASE FUNDING FOR BIA AND IHS CONTRACT SUPPORT COSTS (\$136 MILLION)

Last month, the United States Supreme Court, in *Cherokee Nation v. Leavitt*, issued a unanimous decision holding that the Indian Health Service was liable to Indian tribes for failing to pay full contract support costs under the Indian Self-Determination Act. Recent figures of the collective shortfall in the current fiscal year for all contracts between the IHS and tribes are estimated at \$99 million, and for all contracts between the BIA and tribes are estimated at \$37 million. Indian tribes are entitled to receive the funds negotiated in their contracts. To address this, we propose several options. The Congress could include language in the fiscal year 2006 appropriations bill which amends Public Law 93-638 to read:

“Notwithstanding any other provision of law, necessary amounts are appropriated to pay contract support costs required under Sections 106(a)(2), 403(g)(3) and 508(c), when not otherwise provided for.”

This proposal will authorize the expenditure of funds from the Treasury in the absence of an ordinary agency appropriation. Another alternative would be to “sweep up” unexpended and unobligated balances similar to existing bill language for trust reform. See, Public Law No. 108-7, § 113, 117 Stat. 239.

The United States would not think to shortchange defense contractors in their government contracts. Why is it acceptable to shortchange Indian tribal governments when the United States insists that it is honoring its trust responsibility to Indian tribes? Full funding of tribal contract support cost needs should not be funded by Congress by offsetting other programs serving Indian tribes. We are doing all we can to meet our members' needs. Full funding of Contract Support Costs helps us better serve our members.

Thank you for affording the Shoshone-Bannock Tribes the opportunity to make known our comments regarding the President's budget proposal and our needs for fiscal year 2006.

## PREPARED STATEMENT OF THE SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION

The Society for Animal Protective Legislation (SAPL) respectfully requests the Senate Appropriations Committee's Subcommittee on Interior and Related Agencies appropriate an additional \$19.562 million for the United States Fish and Wildlife Service Division of Law Enforcement, \$12 million for certain funds under the Multi-national Species Conservation Fund (including \$500 thousand for the Great Ape Survival Partnership of the United Nations Environment Programme), an additional \$4.4 million for the Clark R. Bavin National Fish and Wildlife Forensics Laboratory, and \$1 million to enforce the Captive Wildlife Safety Act. SAPL also endorses the testimony of the Doris Day Animal League in support of restoring the protections from commercial sale and slaughter of wild horses and burros in the care of the Bureau of Land Management or its contractors.

## UNITED STATES FISH AND WILDLIFE SERVICE DIVISION OF LAW ENFORCEMENT

SAPL urges increased funding to enable the Law Enforcement Division of the U.S. Fish and Wildlife Service (FWS) to undertake its important, expanding work. FWS agents are responsible for enforcement of over a dozen conservation laws including the Lacey Act, Migratory Bird Treaty Act, Endangered Species Act, Marine Mammal Protection Act, African Elephant Conservation Act, the Wild Bird Conservation Act, and implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Special agents undertake a variety of wildlife trade cases involving illegal shipments of caviar, elephant ivory, shahtoosh, reptiles, primates, African finches, bear viscera, turtle eggs, coral, exotic big cats, and many other species. It is well-known that the trade in wildlife is rivaled only by the trade in drugs in terms of its magnitude in global commerce. Environmental contaminants and industrial hazards also pose a major concern to the Law Enforcement Division.

*Special Agents*

In fiscal year 2004, the FWS Division of Law Enforcement investigated thousands of cases involving vital wildlife protection statutes that are important to millions of Americans. For example, in 2004, service special agents conducted 12 manatee protection task forces and teamed with State officers to complete another six cooperative enforcement operations to protect manatees from boat strikes in Florida's costal waters. Such work resulted in the issuance of over 1,416 citations to boaters speeding in manatee protection zones and the collection of over \$116,000 in fines. Special agents also conduct crucial anti-poaching and wildlife law enforcement training for officials in numerous countries across the globe. This training is essential to protect threatened and endangered wildlife from being poached in range states. Currently there are 222 agents; however, the full authorized agent force is 261. We encourage the service to expedite the filling of the 39 vacancies. The cost to fill these vacancies is \$7.254 million. The operational funds for current agents are short of that necessary to fulfill each inspector's critical responsibilities for the entire fiscal year; an additional \$9.768 million is needed. Therefore, the total needed for full agent staffing is an additional \$17.022 million.

*Port Inspectors*

Approximately 100,000 shipments worth more than \$1 billion are processed by FWS inspectors at the 16 Designated Ports of Entry each year. In response to wildlife smugglers' attempts to use United Parcel Service (UPS) and Federal Express (FedEx) to get their wildlife contraband into the United States, Memphis (a FedEx hub) and Louisville (a UPS hub) were established as Designated Ports of Entry. However, to handle the round-the-clock workload generated by these two hubs, FWS will need to operate 3 shifts a day. To allow for 24-hour operation, seven days a week, funds are needed for three shifts with 3 inspectors each and for an additional special agent to investigate violations uncovered by the inspectors. \$1.8 million additional dollars are needed to provide this enforcement at these extremely active ports.

*Incident Management, Analysis and Reporting System (IMARS) Implementation*

As part of Secretary Norton's law enforcement reforms, all Department enforcement bureaus are required to implement a uniform records system for reporting law enforcement information. SAPL requests \$500,000 for implementation of IMARS for the Service's Law Enforcement Program and its harmonization with the program's existing system, the Law Enforcement Management Information System (LEMIS).

Implementation of IMARS and its integration with LEMIS will ensure department-wide access to wildlife enforcement data without sacrificing the Law Enforcement Program's ability to meet unique wildlife-related data collection and analysis needs.

### *Enhancing Computer Forensic Capabilities*

Increasingly, criminals engaged in wildlife trafficking are routinely utilizing computers for their illegal operations. Therefore, once such computers are seized, computer forensic experts must be available to conduct examinations of such computers in an effort to identify and retrieve evidence of wildlife crimes. Currently, the National Fish & Wildlife Forensics Laboratory has only one computer evidence examiner and a supervisor who conducts examination part-time. SAPL respectfully requests that \$240,000 be appropriated for the creation of a centrally located field computer seizure and analysis unit staffed with two computer forensic experts.

### MULTINATIONAL SPECIES CONSERVATION FUND

Since 1988, the United States has shown its steadfast commitment to global conservation efforts by legislatively creating a series of funds to assist in wildlife protection in all regions of the world. The African Elephant Conservation Fund, the Asian Elephant Conservation Fund, the Rhinoceros and Tiger Conservation Fund, and recently, the Great Ape Conservation Fund, are vital tools to prevent these species from declining further and, in some cases, going extinct. SAPL respectfully requests that \$2.5 million be appropriated for the Asian Elephant Conservation Fund, \$2.5 million for the African Elephant Conservation Fund, \$3 million for the Great Ape Conservation Fund and \$4 million for the Rhinoceros and Tiger Conservation Fund.

### THE AFRICAN ELEPHANT CONSERVATION AND THE ASIAN ELEPHANT CONSERVATION FUNDS

These funds have provided important funding for elephant conservation projects. For decades, poachers and smugglers exploiting the global ivory trade have targeted elephants. Today, elephants are at great risk not only for ivory, but also for their meat, which is consumed as "bushmeat," particularly in Africa. Conservation projects that have received funding under these Funds include: anti-poaching assistance, acoustic monitoring of forest elephants, and research utilizing immunocontraception as a means of population control.

### THE RHINOCEROS AND TIGER CONSERVATION FUND

This fund provides essential financial assistance to protect the world's remaining five rhino species and tiger subspecies. Rhinos have been poached historically for their horns, which are used in traditional Asian medicines, while tigers have been exploited for their valuable skins, bones and other body parts. In the last century, it is estimated that the total number of all wild tigers scattered across their range has plummeted to 5,000 animals. Recent U.S. funding has contributed to the equipping and operating of anti-poaching patrols, studies of population dynamics using DNA technology, establishing conservation education programs in rhino and tiger range states to increase awareness about these species, and rhino translocations.

### THE GREAT APE CONSERVATION FUND

Funds available to address the growing threat of the trade in bushmeat and the habitat decimation perpetrated on great apes by timber companies and other extractive industries. Chimpanzee, bonobo, gorilla, orangutan, and gibbon populations have declined substantially, and there is a serious threat to their long-term survival. Grants from this fund enable conservation and anti-poaching projects to be established and effectively implemented to the benefit of these endangered ape species.

A specific earmark for the Great Ape Survival Partnership (GRASP) is needed under the Great Ape Conservation Fund. The United Nations Environment Programme has undertaken a significant, ambitious endeavor to examine all of the relevant parameters concerning great ape decline and survival in range states. A modest additional \$500,000 from the United States Congress, administered through the Great Ape Conservation Fund, would provide support for GRASP's continuing work to undertake stakeholder workshops and technical missions in range states. This will assist dramatically in the development of long-term national planning projects to conserve all remaining great apes.

### THE CLARK R. BAVIN NATIONAL FISH AND WILDLIFE FORENSICS LABORATORY

The Service's forensics lab is uniquely capable of providing assistance in the prosecution of wildlife crimes and is the world's only forensic laboratory devoted specifically to wildlife crime. The lab analyzes teeth, claws, hairs, feathers, tissues, blood, and other wildlife samples to determine species of origin and connect wildlife and

suspects to the scene of the crime. This lab has always been on the cutting edge of wildlife prosecutions and must be funded adequately to fulfill its vital roles. Further, the lab is an internationally well-respected icon, and the Secretariat of CITES has, for instance, entered into Memorandums of Understanding with the lab to, among other things, assist in the analysis of ballistic evidence. At the CITES Standing Committee meeting in Geneva, Switzerland in March 2004, the CITES Secretariat specifically recommended that Parties contact the Bavin lab to assist in the identification of bear parts and derivatives during investigations.

The laboratory has begun an important and significant rehabilitation and expansion project, which includes plans to enlarge lab capabilities with a 27,000 square foot addition, including a training and conference room, a new pathology lab with a bio-level 3+ containment capability, and a new evidence control area. Sadly, funding constraints are preventing the Bavin lab from meeting its planned development goals fully. Last session, Congress appropriated \$2.6 million to fit-out the pathology and bio-containment sections of the building shell, which is still being constructed with fiscal year 2003–2004 funds. We respectfully urge this Subcommittee to appropriate an additional minimum of \$4.4 million, which represents the balance necessary to enable the completion of the fit-out of the one-story expansion of the existing facility. This \$4.4 million appropriation would be extremely modest given the importance of the Clark R. Bavin National Fish & Wildlife Forensics Laboratory and the actual expansion and renovation needs for the lab.

#### THE CAPTIVE WILDLIFE SAFETY ACT

On December 19, 2003 the President signed into law the Captive Wildlife Safety Act to prevent the interstate and foreign commerce in big cats—lions, tigers, leopards, cheetah, jaguars, or cougars or any hybrid of such species—for personal possession as “exotic” pets. In recent years, the United States has seen a dramatic increase in the number of these dangerous animals being kept in private hands, with a concomitantly dramatic rise in the number of unfortunate attacks by these inherently wild animals. It is imperative that the FWS be given the tools it needs to enforce this important law, for the benefit of the animals themselves and the humans who are at risk because of the big cats who are being kept in captivity. While the legislation authorized an appropriation of up to \$3 million each year for implementation and enforcement of the Act, no funding has been provided for enforcement of this relatively new law. SAPL appreciates the difficult financial situation confronting Congressional Appropriators this year; as a result, we urge a modest appropriation of \$1 million for enforcement of the Captive Wildlife Safety Act.

#### PROTECTION OF THE TOKLAT WOLF PACK IN ALASKA

For more than four decades, the Toklat wolf pack in Alaska has been the most studied, viewed and photographed family of wolves in the world. However, the fate of this celebrated wolf pack is now uncertain as some of its members, including the alpha male and the alpha female, have recently been trapped and killed by hunters just outside of Denali National Park. Only six young wolves remain. In order to protect the last remaining members of the Toklat wolf pack, we respectfully request that the distinguished Subcommittee urge the Secretary to take immediate action and expand the protective buffer zone established to protect wolves which stray outside of Denali National Park. Currently, this buffer zone measures only 55 square miles in the northeast corner of the park. With the recent deaths of the Toklat members, it is clear that this zone has become inadequate to protect the wolves as it was intended to do.

In addition to hunting and trapping, the survival of the Toklat wolves is threatened by the Alaska’s airborne wolf killing program. Currently, the state permits the use of aircraft to shoot wolves for the purpose of boosting game populations. Alaskan residents passed ballot initiatives in 1996 and 2000 to ban the use of aircraft to hunt wolves, but the governor reinstated the practice in 2003. We believe hunting wolves by air violates the federal Airborne Hunting Act (passed in 1971, primarily to put an end to aerial wolf killing in Alaska). The Act specifically prohibits shooting or attempting to shoot or harassing any bird, fish, or other animal from aircraft except for certain specified reasons, including protection of wildlife, livestock, and human life. Wildlife, livestock and humans are not being threatened by the wolf, therefore, we respectfully request that the distinguished Subcommittee urge the Secretary to clarify that the federal Airborne Hunting Act does not permit the use of aircraft to chase down and kill wolves in an effort to increase game populations.



## HONOR THE U.S. OBLIGATION TO PHASE OUT STEEL JAW LEGHOLD TRAPS

Approximately 140 of 517 national refuges currently permit use of steel jaw leghold traps. These traps slam with a vice-like grip on the limbs of their victims, breaking bones, tearing ligaments and tendons, severing toes and causing excruciating pain. Alternative traps, which reduce the suffering of trapped animals are available and can be used instead.

The American Veterinary Medical Association, the American Animal Hospital Association, the World Veterinary Association and the National Animal Control Association have condemned leghold traps as “inhumane”. The vast majority of Americans object to use of these traps as evidenced by numerous public opinion polls. Massachusetts, Arizona, Colorado, Washington, and California have prohibited use of these cruel devices by public referendum. New Jersey, Florida, and Rhode Island prohibit use of steel jaw traps too.

In response to the widespread international opposition to steel jaw leghold traps, the U.S. Trade Representative signed an “Understanding” with the European Union on December 11, 1997 in which the United States committed to phase out use of “conventional steel jawed leghold restraining traps.” The U.S. Department of Interior is responsible for honoring this U.S. obligation on lands under its jurisdiction and needs to begin implementing a phase out on use of these devices. So far, no action has been taken by the Department of Interior to comply with this official agreement. We respectfully request this distinguished Subcommittee urge the Secretary to take action this year.

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 PREPARED STATEMENT OF THE SOUTHWESTERN WATER CONSERVATION DISTRICT

I am requesting your support and assistance in insuring continued funding for the Upper Colorado River Endangered Fish Recovery Program and the San Juan River Basin Recovery Implementation Program. These ongoing cooperative programs have the dual objectives of recovering four species of endangered fish while water use continues and water development proceeds in compliance with the Endangered Species Act of 1973, state law, and interstate compacts. Partners in the two programs are the States of New Mexico, Colorado, Utah, and Wyoming, Indian tribes, federal agencies and water, power and environmental interests. I respectfully request support and action by the Subcommittee that will provide the following:

An increase of \$691,000 in the fiscal year 2006 Recovery Element budget (Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element) allocated to “Colorado River fish recovery project” to allow U.S. Fish and Wildlife Service (FWS) Region 6 to meet its funding commitment to the Upper Colorado River Endangered Fish Recovery Program. This is the level of funding appropriated in fiscal years 2003, 2004, and 2005 for this program. These funds are needed for FWS direct participation in managing and implementing the Upper Colorado Program’s actions, monitoring achievement of recovery goals, managing data associated with fish population abundance and sampling, evaluating stocking, and monitoring fish and habitat response to recovery actions.

The appropriation of \$437,000 in operation and maintenance funds (Resource Management Appropriation; Fisheries Activity; Hatchery Operations & Maintenance Subactivity, Hatchery Operations Project) to support the ongoing operation of the FWS’ Ouray National Fish Hatchery in Utah during fiscal year 2006.

An increase of \$211,000 in the “Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element” budget allocated to the “San Juan River Recovery Implementation Program”. These funds are needed to support the FWS Recovery Program Coordinator and staff who are responsible for program management and support of all Recovery Program activities.

The enactment of Public Law 106-392, as amended by Public Law 107-375, authorized the Federal Government to provide up to \$46 million of cost sharing for these two ongoing recovery programs’ remaining capital construction projects. Raising and stocking of the endangered fish produced at program hatchery facilities, restoring floodplain habitat and fish passage, regulating and supplying instream habitat flows, installing diversion canal screens and controlling nonnative fish populations are key components of the programs’ ongoing capital construction projects. Subsection 3(c) of Public Law 106-392 authorizes the Secretary of the Interior to accept up to \$17 million of contributed funds from Colorado, Wyoming, Utah and New Mexico, and to expend such contributed funds as if appropriated for these projects; and provides for an additional \$17 million to be contributed from revenues derived from the sale of Colorado River Storage Project (CRSP) hydroelectric power. This substantial non-federal cost-sharing funding demonstrates the strong commitment and effective partnerships embodied in both of these successful programs. The

requested federal appropriations are critically important to these efforts moving forward.

The support of your Subcommittee in past years is greatly appreciated—and has been a major factor in the success of these multi-state, multi-agency programs as they have progressed forward towards delisting the endangered fish species in the Upper Colorado and San Juan River Basins while necessary water use and development activities are occurring. I request the Subcommittee's assistance to ensure that the FWS is provided with adequate funding for these vitally important programs.

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PREPARED STATEMENT OF THE STATE AND TERRITORIAL AIR POLLUTION PROGRAM ADMINISTRATORS AND THE ASSOCIATION OF LOCAL AIR POLLUTION CONTROL OFFICIALS

The State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO) appreciate this opportunity to provide testimony regarding the fiscal year 2006 proposed budget for the U.S. Environmental Protection Agency (EPA), particularly regarding grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act. STAPPA and ALAPCO recommend that the budget for federal grants to state and local air quality agencies, which was proposed at \$223.6 million, be increased by \$100 million, for a total of \$323.6 million in fiscal year 2006.

STAPPA and ALAPCO are the national associations of air quality officials in 53 states and territories and more than 165 metropolitan areas across the country. The Clean Air Act gives state and local air quality officials the primary responsibility for implementing our country's clean air program. These agencies must work to limit or prevent emissions of a variety of pollutants, including particulate matter, ground-level ozone, toxic air pollution and acid rain, among others, which are emitted from a variety of sources. State and local air pollution control agencies are responsible for implementing myriad activities and programs designed to protect public health. These activities must address the fundamental and continuing elements of air quality programs, as well as address emerging problems. Among the many activities state and local air agencies must carry out are monitoring ambient air quality, providing compliance assistance to the regulated community, issuing permits to sources, inspecting facilities, compiling inventories of emissions, carrying out enforcement actions, providing public education and outreach, formulating control strategies, and developing State Implementation Plans.

IS AIR POLLUTION A SIGNIFICANT PROBLEM IN THE UNITED STATES?

Air pollution poses a very serious threat to public health and the environment. We know of no other environmental problem that presents a greater risk. Consider the fact that all of us breathe; we need air to live. Most of us have no control over the cleanliness of the air we inhale—we are largely dependent on federal, state, and local air programs to ensure that our air is healthful to breathe. When determining priorities for federal funding, then, it seems reasonable to designate the improvement and protection of air quality as one of the government's highest priorities.

While the United States, at all levels of government, has accomplished much in terms of improving air quality, we still have significant problems. For example, more than 160 million tons of pollution are emitted annually in this country. Over 146 million people live in areas that violate at least one of the six health-based National Ambient Air Quality Standards. Fine particulate matter alone is responsible for up to 30,000 premature deaths each year and causes other health problems, such as aggravation of existing respiratory and cardiovascular disease, damage to lung tissue, impaired breathing, irregular heart beat, heart attacks and lung cancer.

Hazardous—or toxic—air pollution is another huge problem. Over 200 million people in the United States live in areas where the lifetime cancer risk from exposure to those pollutants is over 1 in 100,000 and 3 million face a lifetime cancer risk of 1 in 10,000. One hazardous air pollutant that has received a lot of notice lately is mercury. Mercury emitted into the air finds its way into the fish we eat. Forty-five states have issued notices that the fish caught in their water bodies contain elevated concentrations of mercury. As many as 15 percent of women of child-bearing age are exposed to mercury levels that are above those EPA considers safe for a developing fetus.

ARE THERE MAJOR NEW ACTIVITIES FACING STATE AND LOCAL AIR AGENCIES?

State and local air agencies must carry out a myriad of activities to address our air quality problems. These activities are ongoing and continual, in order to both

improve air quality and to maintain the strides that have already been made. In the coming months, state and local air quality agencies will take on significant additional activities in an effort to attain new, more stringent health-based National Ambient Air Quality Standards (NAAQS) for ozone and fine particulate matter (PM<sub>2.5</sub>). Last year, all or parts of nearly 500 counties were designated as nonattainment for the 8-hour ozone standard and, in January of this year, EPA designated 225 counties, in whole or in part, as nonattainment for the PM<sub>2.5</sub> standard. The nonattainment areas—areas not attaining these standards—are required to develop State Implementation Plans (SIPs) identifying the measures they will take to reduce emissions in their areas in order to attain the standards. They will also have to demonstrate to EPA's satisfaction that they will attain the standards as expeditiously as practicable and in any event no later than 2010 for PM<sub>2.5</sub> and between 2007 and 2024—with areas with more severe ozone problems getting more time—for ozone. Those who are attaining the standards will have to work to maintain their air quality and submit plans to EPA to demonstrate how they will do so. States are required to submit their plans to EPA by April 2007 for ozone and April 2008 for PM<sub>2.5</sub>.

In addition, on March 10, 2005, EPA finalized a determination that 28 states in the Eastern United States and the District of Columbia contribute significantly to nonattainment of the ozone and PM<sub>2.5</sub> standards in downwind states and is requiring these upwind states to revise their SIPs to include control measures to reduce emissions of sulfur dioxide and/or nitrogen oxides. Under the Clean Air Interstate Rule (CAIR), these states are required to submit these revisions by September 10, 2006.

Accordingly, during the next fiscal year state and local agencies will be consumed with developing and refining emission inventories, modeling emission trends, projecting emissions and pollution concentrations, identifying emission reduction measures and modeling the impact of these emission reduction measures on pollution concentrations in their states. In addition, to the extent that any of the emission reduction measures requires regulatory or legislative action or funding, state and local agencies will need to prepare regulatory and legislative proposals to implement these measures. Furthermore, they will need to follow their administrative procedures for these plans, requiring many states to begin well in advance in order to provide a completed plan to EPA by April 2007. For those states covered by CAIR, all of this work will need to be concluded in fiscal year 2006, since the plans are due by September 2006.

All of these activities, which are intended to help areas meet the standards and protect public health, represent significant effort for which adequate funding is essential. These new activities, as well as the ongoing responsibilities, lead STAPPA and ALAPCO to recommend an increase of \$100 million in the federal grant program under Sections 103 and 105 of the Clean Air Act (increasing the President's request from \$223.6 million to \$323.6 million).

#### HOW ARE AIR QUALITY PROGRAMS FUNDED?

Funding for state and local air pollution control programs comes from several sources, including state and local appropriations; the federal permit fee program under Title V of the Clean Air Act; state and local permit and emissions fee programs and federal grants under Sections 103 and 105 of the Clean Air Act. Section 103 has usually funded specific monitoring efforts (e.g., particulate matter or air toxics monitoring), while Section 105 supports the foundation of state and local air quality programs, including, but not limited to, personnel.

The Clean Air Act authorizes the federal government to provide grants up to 60 percent of the cost of state and local air quality programs, while state and local agencies must provide a 40-percent match (as per Section 105). In reality, however, the federal government provides approximately 25 percent of the total state/local air budget, while state and local governments supply 75 percent (not including income from Title V permit fees, which state and local agencies collect from major sources and can fund only permit-related activities). In a time of limited state and local resources, where state and local governments are straining to maintain existing programs, additional federal funding is needed to meet the challenges of air quality programs.

#### HOW MUCH MONEY IS NEEDED FOR STATE AND LOCAL AIR PROGRAMS?

The total amount needed for state and local efforts to implement the Clean Air Act is estimated to be in excess of \$1 billion each year. If EPA were to supply 60 percent of that amount, as the Clean Air Act envisioned, federal grants would amount to approximately \$600 million annually.

The fiscal year 2006 budget request for state and local air quality agencies under Sections 103 and 105 of the Clean Air Act, rather than being \$600 million, is actually \$223.6 million. Not only is this far short of the amount that is needed, but over the past decade, federal grants for state and local air agencies to operate their programs (not including the separate monitoring program funded with Section 103 grants) have decreased by 25 percent in terms of purchasing power (based upon U.S. Department of Labor inflation statistics).

#### COULDN'T PERMIT FEES BE USED TO FILL THE GAP?

Unfortunately, the permit fee program under Title V of the Clean Air Act Amendments of 1990 is not the answer to the state and local air agencies' financial problems for several reasons. First, the fees must support only the operating permit program and must not be used for other activities. Second, fees only apply to major sources and do not cover the significant costs related to non-major sources, which include minor source permits, monitoring, enforcement, compliance assistance, etc. Third, the current fees already are substantial and there would be considerable resistance to any increases. Fourth, fee revenue is decreasing due to reductions in emissions, on which they are based. Finally, increases in costs for air quality programs (except for permit programs themselves) are not addressed by permit fee programs.

The Title V fee program, while essential to state and local efforts, is not the solution to the funding problem. Federal grants must be expanded to meet the significant resource requirements.

#### HOW ELSE WOULD ADDITIONAL FUNDS BE PUT TO USE?

In addition to the attainment activities discussed above, state and local air agencies face other high-priority responsibilities on which they would spend increased grant funds. These include the following, among others: improving emission inventories of toxic air pollution; implementing programs to address toxic air pollution; improving risk assessment capacity; increasing the frequency of inspections of minor sources; expanding criteria pollutant monitoring; reducing concentrations of fine particulates; developing SIPs to address regional haze; increasing public outreach efforts and response to citizen concerns; improving small business compliance assistance; purchasing replacements for monitoring equipment that has outgrown its expected usage; increasing the number of air toxics monitoring locations to better characterize baseline concentrations and localized impacts; improving modeling tools to determine the emission reductions needed to attain public health standards; and addressing minor sources, including issuing permits.

#### CONCLUSION

The current budget does not meet the needs of state and local air agency efforts and, we believe, should be increased substantially. However, we understand that there are many programs competing for limited federal funds and that Congress has a very difficult task in determining how the resources should be allocated. Therefore, although we believe that air pollution poses a significant threat to public health and should be among our highest priorities, we recommend that federal grants to state and local air quality agencies be increased by \$100 million above the President's request in fiscal year 2006, for a total of \$323.6 million. Unless state and local air quality agencies receive substantial increases in resources, and are granted the flexibility to target them to the activities that are most appropriate in individual states and communities, we will find it increasingly difficult or impossible to obtain and maintain healthful air quality.

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#### PREPARED STATEMENT OF THE STATE OF WYOMING, OFFICE OF THE GOVERNOR

I am writing to request support and action by your Subcommittee to provide an appropriation of \$986,000 in "recovery" funds (Ecological Services Activity; Endangered Species Subactivity; Recovery Element; "Platte River Recovery") to the U.S. Fish and Wildlife Service (FWS) for fiscal year 2006 to allow FWS to continue its necessary participation in the development of the Platte River Recovery Implementation Program. This is the same level of funding appropriated to the FWS in fiscal year 2005 for FWS participation in this project. The \$986,000 is needed by FWS Region 6 for its Platte River activities during this critical time in the development of the Platte River Recovery Implementation Program. Congress has appropriated funding in this FWS line item each year since 1998—however, once again, as was the case last year, the President's recommended budget for fiscal year 2006 "zeroed

out” the “Platte River Recovery” line item. We have been advised that since the Congress—with the much appreciated assistance of your Subcommittee—restored this funding last year that it was “zeroed out” in the budget released on February 7, 2005 for the reason that it was an “earmark” in the 2005 appropriations act providing funding for the FWS. We respectfully request your assistance to restore this line item so as to provide the requisite funding.

In 1997, the States of Nebraska, Wyoming, and Colorado and the U.S. Department of the Interior signed a Cooperative Agreement for Platte River Research and Other Efforts Relating to Endangered Species Along the Central Platte River, Nebraska (Cooperative Agreement). The signatories to the Cooperative Agreement realize a comprehensive, basin-wide, cooperative approach for addressing the Endangered Species Act (ESA) issues in the Central and Lower Platte River Basin region is the most equitable and effective means to resolve endangered species conflicts and meet the habitat needs of four threatened and endangered species—the whooping crane, piping plover, least tern and pallid sturgeon. Agreement activities presently underway include the development of a Recovery Implementation Program document, a programmatic biological opinion and a record of decision. Following completion of these actions, a Program Implementation Agreement is to be entered into by the three States and Interior in early 2006.

Given the high level of ongoing activities associated with these Cooperative Agreement efforts and the fact that the program, when initiated, will provide federal Endangered Species Act compliance for existing and new water projects in Colorado, Nebraska and Wyoming, it is critically important that the “Platte River Recovery” funding be provided for fiscal year 2006. The requested Federal appropriation will be used in concert with other federal and non-federal cost-sharing funding in furtherance of cooperatively resolving long-standing endangered species and water resource conflicts. Your Subcommittee’s assistance in addressing this issue last year was greatly appreciated and we will be most grateful for your assistance in again solving this same problem for the upcoming federal fiscal year. Thank you.

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PREPARED STATEMENT OF THE VILLAGE OF WELLINGTON, FLORIDA  
ENVIRONMENTAL PROTECTION AGENCY

Mr. Chairman and members of the subcommittee: On behalf of the Village of Wellington, we are pleased to submit this statement for the record in support of our fiscal year 2006 request for funding in the amount of \$2.7 million for the Village’s Water Clean Up and Phosphorus Removal Project. The Village is most appreciative of the \$300,000 provided by the VA/HUD Subcommittee in its fiscal year 2005 bill.

PROJECT EXECUTIVE SUMMARY

The 1994 Everglades Forever Act (EFA) established water quality goals for the restoration and preservation of the Everglades Protection Area. It also identified Basin B within the Village of Wellington as an area that will need to meet the new phosphorus standard by December 31, 2006 for its storm water discharges into the Arthur Marshall Loxahatchee National Wildlife Refuge (Conservation Area No. 1).

The Acme Basin B Discharge project is one of 55 that comprise the Comprehensive Everglades Restoration Plan (CERP). The Basin B drainage area is part of the Acme Improvement District, which was created by the state of Florida in 1953 to provide drainage for agricultural land in central Palm Beach County. During the 50 years since its inception, land uses within the improvement district have changed dramatically. The Acme Improvement District now serves the Village of Wellington and over 50,000 residents. Basin B consists of 8,680 acres of low-density development located in the southern half of the Improvement District. The western boundary of Basin B abuts the Loxahatchee Refuge.

The benefits created by the CERP Acme Basin B Discharge project are largely related to restoration of the natural environment. The health of the Loxahatchee Refuge and Everglades National Park will be enhanced with improved quality and quantity of water generated from within the basin. Specifically, the project will provide the equivalent of 28.5 million gallons of water per day to the Everglades, which, without the project, would be needlessly sent to the ocean via the Lake Worth Lagoon.

The Village has been working diligently to arrive at a solution to meet the EFA requirements in an economic and technically feasible manner. The actual phosphorus standard has been adopted by the Florida Department of Environmental Protection (FDEP) through the Environmental Regulatory Commission (ERC).

Therefore, the Village has been evaluating numerous alternatives to be used, to arrive at a Basin B Water Quality Clean Up Solution to meet those requirements.

Some of these alternatives that have been, or are still being, evaluated, are:

A water quality improvement Pilot Program with CH2M Hill Constructors, Inc. was completed and results submitted to SFWMD for use in design of STA's.

Development of a Best Management Practices (BMP) Ordinance with phosphorous fertilizer limitations and livestock waste handling procedures among others. Two Ordinances have already been adopted by the Village.

Preparation of a Request for Proposals and obtaining responses for a "Multi-Purpose Storm Water Management Program" as a design/build/operate (DBO) contract.

Development of Basin B Water Quality Clean Up alternatives for further evaluation by the South Florida Water Management District (SFWMD) through its study consultants, Burns & McDonnell, and Brown & Caldwell.

Work with SFWMD and the U.S. Army Corps of Engineers through a Cooperation Agreement with SFWMD to develop a Basin B Water Quality Clean Up Plan as an already federally authorized Other Project Element (OPE) of the Comprehensive Everglades Restoration Plan (CERP).

Implementation of a detailed water quality monitoring program to identify "hot spots" within Basin B for potential individual site specific clean up.

Construction of a \$350,000 filter marsh to provide treatment to a major "hot spot" is set to commence this summer. Construction of a \$1,000,000 Wetlands Treatment Park near another "hot spot" is due to be constructed late summer, early fall.

As part of its Basin B Water Quality Clean Up Initiative, the Village of Wellington assembled a "Surface Water Action Team" (SWAT) comprised of key personnel and expert consultants. The SWAT Team, while continuing to work on many of the above initiatives, is presently working on a Phase III BMP Ordinance, along with an updated Cooperative Agreement with SFWMD.

The ongoing water quality monitoring program has indicated a fairly significant decrease in average phosphorus concentrations since 1999. In 1999, the average Basin B phosphorous concentration discharged to the Loxahatchee Refuge was 189 parts per billion (ppb). In 2002, the average concentration has dropped to 88 ppb, which is a 53.4 percent decrease in phosphorus levels. In 2003 the average concentration had dropped to approximately 70 ppb. Although inconclusive, it is likely that the implementation of the BMP Ordinance played a part in this decrease in phosphorus concentrations.

To date, the Village of Wellington has made a considerable financial investment (up to \$3 million), not including internal staff hours, and is set to spend another \$4.5 million this year in an effort to meet the standards set by the Everglades Forever Act requirements.

#### FUNDING NEEDS

For fiscal year 2006, the Village of Wellington, Florida is seeking \$2.7 million from the Environmental Protection Agency through the Appropriations Subcommittee on Interior, Environment, and Related Agencies.

Thank you for your consideration of our request.

#### PREPARED STATEMENT OF THE NATURE CONSERVANCY

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to present The Nature Conservancy's recommendations for fiscal year 2006 appropriations. The Nature Conservancy is an international, non-profit organization dedicated to the conservation of biological diversity. Our mission is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy has more than 1 million individual members and 1,900 corporate associates. We have programs in all 50 states and in 27 foreign countries. We have protected more than 15 million acres in the United States and Canada and more than 117 million acres with local partner organizations globally. The Conservancy owns and manages 1,400 preserves throughout the United States—the largest private system of nature sanctuaries in the world. Sound science and strong partnerships with public and private landowners to achieve tangible and lasting results characterize our conservation programs.

#### STEWARDSHIP OF PUBLIC LANDS

The nation's federal lands require enhanced stewardship funding. Many of our ecosystems are extremely degraded, particularly by invasive species and poor fire

management, and require substantial investments to restore proper ecosystem function.

#### *National Fire Plan*

In past years, inadequate wildfire suppression funding has required agencies to transfer funds from other key resource programs to cover suppression costs. We commend the Subcommittee for providing emergency fire suppression funding in fiscal year 2005 and we urge Congress to do the same in fiscal year 2006. We also urge Congress to find a long-term solution to the suppression funding problem, including cost containment measures and increased emphasis on fire management planning and wildland fire use.

We support the increase in the President's budget for BLM and USFS Hazardous Fuels Reduction to \$492 million. We recommend that \$100 million be directed to hazardous fuels reduction projects supported by local communities and consistent with long-term, ecologically-based, landscape-scale plans (within and beyond the wildland urban interface) with scientifically adequate monitoring protocols. We also support the President's proposal for a \$5 million grant program for biomass removal on public lands, especially for projects that relate to hazardous fuels reduction.

Long-term restoration activities are critical to ensuring that unnaturally severe fires are not followed by invasive species and other ecologically destructive processes. Congress should provide \$15 million to the U.S. Forest Service for Rehabilitation and Restoration, and should ensure that funding from other sources is sufficient to provide effective long-term restoration.

We support the increase in the President's budget for the Forest Inventory Analysis (FIA) to \$68.7 million. The FIA is a critical program for developing baselines for long-term monitoring of ecosystem condition and for development of LANDFIRE data.

#### *Forest Health Management*

America's forests are under siege by numerous exotic insects and diseases, and the pace of introductions appears to be increasing. The Conservancy urges the Senate to enhance the Forest Service's crucial role in containing or eradicating these devastating organisms and minimizing their impacts which can cost hundreds of billions of dollars if they are not contained. We recommend that the Forest Health Management program (including National Fire Plan funding) be maintained at the fiscal year 2005 level of \$126 million.

#### *State and Private Forestry*

We strongly support funding for programs that provide incentives for forest stewardship on state and private lands, and critical technical and financial assistance to communities and landowners to improve forestry practices for conservation. We support funding the

President's request, \$37.1 million, for the Forest Stewardship program and funding for demonstration projects under the Healthy Forest Reserve title (Title V) of the Healthy Forests Restoration Act.

#### *Invasive Species*

Next to habitat loss, invasion by non-native species is the most pervasive threat to native biodiversity on public land. The Conservancy supports funding at the President's request, or greater, for the Interdepartmental National Invasive Species Crosscut Budget. It is important to coordinate Federal agency actions to achieve prevention, early detection, rapid response, control and management and restoration of invasive species problems. We also support enhanced funding for three areas identified by DOI as fiscal year 2006 priorities: leafy spurge on the Great Plains, tamarisk in the Southwest and invasive plant control in Florida. We also support continuation of the highly successful program of spartina eradication in Willapa Bay and request \$700,000 in refuge operations for Willapa National Wildlife Refuge and \$700,000 in targeted Partners for Fish and Wildlife funds for this purpose.

### LAND ACQUISITION

#### *Land and Water Conservation Fund*

We strongly support continued federal acquisition of high-priority biologically important land and urge the Congress to provide funding for the Land and Water Conservation Fund (LWCF) at a far more robust level than the President's request. The Conservancy specifically proposes funding of 31 biologically rich land acquisition projects totaling \$80.25 million. Priorities include multi-year projects to protect Montana's Blackfoot Valley and acquisition of key inholdings at Cache River NWR, Pinnacles National Monument, St. Marks NWR, and Chattahoochee NF. We appre-

ciate the Chairman's strong support for community supported acquisitions in the Blackfoot Valley. Several projects, including the Northern Tallgrass Prairie NWR and BLM's South Fork Snake River, utilize conservation easements to achieve important conservation objectives while maintaining the integrity of working landscapes. We also urge the Subcommittee to restore funding for the state-side of LWCF.

#### *Forest Legacy*

This program is an increasingly popular and successful model of a non-regulatory conservation approach based on partnerships between federal and state governments and private landowners. The huge potential of this program to achieve conservation goals while maintaining sustainable use of private lands requires a significant funding increase. We strongly support a \$100 million appropriation for this program, including such priority projects as the Kamehameha School Lands in Michigan., Walls of Jericho in Tennessee, Nevada Creek-Blackfoot in Montana and Annaly Bay in the U.S. Virgin Islands.

#### PAYMENTS IN LIEU OF TAXES AND REFUGE REVENUE SHARING

The Payments in Lieu of Taxes and Refuge Revenue Sharing programs provide payments to counties where land has been taken off the local property tax roles and put into federal ownership. In some counties, protection of significant natural resources impacts the tax base that funds local government services, including schools and public safety. We urge the Committee to provide full funding for these programs and honor the federal government's commitment to impacted communities.

#### SCIENTIFIC INFORMATION

Sound decisions on public and private land acquisition and management must be based on high-quality scientific information. We support an additional \$500,000 above the President's request for the U.S. Geological Survey's National Biological Information Infrastructure to increase capacity for migratory bird, wildlife disease and invasive species information. We support the President's request for LANDSAT, a critically important investment for ecological monitoring in this country and globally and \$250,000 for ecological systems mapping. Within the USGS Water Resources programs, a funding level of \$2.5 million for stream gages is required to maintain current levels of information.

#### ENDANGERED SPECIES PROGRAMS

The Conservancy supports \$100 million for the FWS's Cooperative Endangered Species Fund, an effective and flexible tool for building cooperative, voluntary partnerships. The requested increase reflects the importance and unmet public funding needs of collaborative conservation strategies to protect critically rare species on non-federal land, and state and local acquisition of habitat necessary for the survival of listed and candidate species.

The Conservancy urges significant increases for the FWS's ESA implementation programs. Funding increases would enhance the Service's ability to provide important incentive-based, non-regulatory programs that assist private landowners in protecting species, including the Candidate Conservation program. Additional funding for Listing would enable the Service to expand its evaluation of imperiled species for listing, a critical action that guarantees certain protections under the law, including the authority to purchase habitat. Increases for Consultation/Habitat Conservation Planning would permit the Service to respond to the dramatic increase in the use of HCPs. Similarly, increased investments in Recovery would permit the development, monitoring, and implementation of recovery plans and actions for a rapidly increasing number of listed species. Finally, we support \$1.75 million in planning funds to Southern California's Natural Community Conservation Planning program.

#### STATE AND TRIBAL WILDLIFE GRANTS

The Conservancy strongly supports this program and recommends funding of \$85 million. The development of state comprehensive wildlife conservation plans will set the foundation to direct future resources for state conservation objectives and encourage the states to make full use of the best existing scientific information, including natural heritage data.



## COOPERATIVE CONSERVATION PARTNERSHIPS

Private lands provide a portion of the habitat for at least two-thirds of all federally listed species. The Administration's Cooperative Conservation Initiative supports innovative partnerships between private landowners, local communities, states and the federal government. We endorse the President's request of \$40 million for the Landowner Incentive Program and \$10 million for Private Stewardship Grants. We support the President's request of \$14.9 million for the FWS Coastal Program. We also support the President's request of \$44.8 million for the BLM, FWS and NPS Challenge Cost Share programs. These programs leverage appropriated dollars through 1:1 matches with State and private partners to implement important restoration and protection projects. We support the proposed increase to \$52.2 million for the Partners for Fish and Wildlife, including \$7.5 million for the Upper Klamath River Basin Restoration Initiative. We also support earmarked funding for the High Plains Partnership.

## PARTNERSHIP INITIATIVES

- National Fish and Wildlife Foundation.*—Federal support to NFWF continues to yield a return of over two non-federal dollars for every single taxpayer dollar. We recommend appropriations of FWS (\$9 million), BLM (\$4 million) and Forest Service (\$4 million).
- North American Wetlands Conservation Fund and Joint Venture program.*—The Conservancy supports funding for NAWCA at the President's request of \$49.9 million or more. More than \$1.6 billion in partner contributions has been raised to match \$573 million in federal funds in order to save 20.6 million acres of wetlands. The Conservancy supports an increase of funding to \$15.1 million for Joint Ventures.
- Connecticut River Atlantic Salmon Commission (CRASC).*—The Conservancy supports a \$2.1 million level of funding for the CRASC.
- Great Lakes Fish and Wildlife Restoration Act (GLFWRA).*—The Conservancy recommends \$2 million in base funding and \$2 million for grants for the GLFWRA.

## DEPARTMENT OF INTERIOR—OFFICE OF INSULAR AFFAIRS

The Conservancy supports the President's request for an additional \$1.2 million to support implementation of Local Action Strategies to address threats to coral reefs. These strategies are the product of collaborative efforts between federal agencies, states and territories, and local NGOs. We also support an increase in funding to \$1 million for the Coral Reef Initiative.

## INTERNATIONAL PROGRAMS

The Conservancy, as part of an alliance of major international conservation groups, supports the International Conservation Budget, which calls for \$10.5 million to the FWS' Multinational Species Conservation Funds. This reflects \$2 million each for the African and Asian Elephants and the Great Ape fund, the same for the new Marine Turtle fund, and \$2.5 million for the Rhinoceros/Tiger fund. We support \$5 million for the Neotropical Migratory Bird Conservation Fund. We support \$8 million for the Forest Service's International Programs.

## ENVIRONMENTAL PROTECTION AGENCY

The Conservancy supports robust funding levels for select EPA programs, including \$22.7 million for the Great Lakes National Program Office. This program funds and conducts projects to protect, maintain and restore the chemical, biological and physical integrity of the Great Lakes—the largest freshwater ecosystem on Earth.

The Coastal Watersheds and National Estuaries Program should receive enhanced funding to ensure adequate support for the National Estuary Programs and the development and implementation of Comprehensive Conservation and Management Plans. This program also funds other activities benefiting coastal watersheds, including partnerships to abate threats to coastal habitats and recreational waters.

We also support funding to increase the capacity of the Non-point Source Management Program (Section 319). This program, unlike Farm Bill programs, can be used to address non-point pollution from diverse sources such as urban runoff and leaking septic systems, not only pollution from agricultural sources.

Thank you for the opportunity to present The Nature Conservancy's recommendations for the Interior, Environment and Related Agencies appropriations bill.

## PREPARED STATEMENT OF THE YMCA OF GLENDALE, CALIFORNIA

Project	Request
YMCA of Glendale Camp Fox Wastewater Treatment Plant .....	\$2,000,000

On behalf of the YMCA of Glendale, California, I want to thank the Subcommittee for the opportunity to present our request for funding for fiscal year 2006.

## YMCA OF GLENDALE, CALIFORNIA

The YMCA of Glendale was founded in 1922, born out of the resident's desire to enrich the quality of life. Overseen by its own members, who volunteer to serve on the Board of Directors, it is managed by other volunteers and paid staff. The YMCA has quietly provided answers to Glendale's changing needs. Today, its 7,000 current, active members represent every section of our community. It serves thousands more people through outreach programs and its two camps on Catalina Island.

The most important component of all YMCA programs is character development. There are four core values that build strong children—caring, honesty, respect & responsibility. These values are the tools that help kids overcome the negative temptations of youth, like drugs, gangs & crime.

The YMCA is a not-for-profit organization that is particularly relevant to today's society because it fills a void in the community. It is for everyone—people of all ages, religions, incomes and abilities. The YMCA builds community!

The YMCA believes that people who cannot afford to pay full costs deserve the experience the Y offers as much as those who can. Donations allow the YMCA to provide membership and programs to people in financial hardship. As part of its effort to help people live a healthy lifestyle, the YMCA offers a wide variety of fitness programs including swimming, fitness classes, strength training, racquetball, consultations with fitness experts and much more. There are over 500 children taking swimming lessons at the YMCA—every month, all year round. Another 300 children form youth basketball leagues, and over 250 children take gymnastics classes every month of the year. Building confidence in children by developing their physical skills is one part of the YMCA's mission. Showing them how to make sound independent decisions and solve problems is another part. Two camps on Catalina Island provide a setting for this and serve over 8,000 children a year.

## CAMP FOX WASTEWATER TREATMENT PROJECT

Since 1924, Camp Fox has been owned and operated by the YMCA of Glendale. Located on Catalina Island, each year hundreds of youth explore the ocean and terrain of the island on a year-round basis. With a weekly capacity of 300 campers, groups have included YMCA family groups, church retreats, leadership programs and a full summer of weekly sessions for youth and teens. In addition, during the school year, Catalina Island Marine Institute (CIMI) conducts outdoor education programs at the camp for schools throughout Southern California. Camp Fox has a rich history of memories and life changing experiences for thousands who have stayed there over the years.

## CURRENT FACILITY CHALLENGE

Because the current septic system that handles the camp's sewage treatment needs is failing, the YMCA must install a wastewater treatment plant. As a result of this situation, since January 2004, the camp has been required to reduce its capacity by 50 percent. Many of the YMCA lease groups have left the camp to find other large capacity camps. This decrease in campers has put a tremendous financial strain on the operation, in addition to disappointing the many people desiring to visit the island. The decrease in numbers is outlined below:

Count	2003	2004	Difference
Campers .....	14,495	8,200	(6,295)
Camper Days .....	40,096	22,442	(17,654)

Replacing this system is costly, with a complex scope of work. Removal of all old landfills at the camp is being required as well. The new system will be a disinfecting and dechlorinating process which will enhance the camp environment and the overall environment on Catalina Island. Because of the limited resources available to our non-profit organization, I am requesting your assistance in securing funds for this project through the programs of the Environmental Protection Agency. Specifi-

cally, we are seeking \$2 million through EPA's State and Tribal Assistance Grants Program.

Again, I thank the Subcommittee for the opportunity to present this testimony and for your consideration of this request.

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PREPARED STATEMENT OF THE AMERICAN GEOLOGICAL INSTITUTE

To the Chairman and Members of the Subcommittee: Thank you for this opportunity to provide the American Geological Institute's perspective on fiscal year 2006 appropriations for geoscience programs within the subcommittee's jurisdiction. The president's budget requests vital and overdue funding for natural hazards and mapping which AGI greatly appreciates and fully supports. The administration seeks significant cuts in the U.S. Geological Survey (USGS) mineral resources and water programs. The Mineral Resources Program would receive a 53 percent cut, leaving the program with only \$25 million in fiscal year 2006. If enacted, these reductions would hamper the Survey's ability to carry out its important missions to ensure adequate natural resources, monitor environmental conditions and provide assessments for economic development, safety and national security. Specifically, we ask the subcommittee to restore funds to the USGS Mineral Resources Program and the Water Resources Research Institutes.

For the Environmental Protection Agency (EPA), a new responsibility of this subcommittee, the proposed fiscal year 2006 is \$7.6 billion, a 5.6 percent decrease from last year with significant cuts for state water programs. AGI supports full funding for water programs in EPA and USGS, given the importance of clean and readily available water for our citizens, industries, local to federal government agencies and for the sustainability of a healthy environment.

Geoscience activities are also found in a number of other agencies within the subcommittee's jurisdiction. We ask the subcommittee to support the well-informed, yet fiscally responsible increases in the administration's budget proposal for the Minerals Management Services (MMS) the National Park Service Geologic Resources Division, and the U.S. Forest Service Minerals and Geology Management Program. MMS manages natural gas, oil and other mineral resources on the outer continental shelf and disburses more than \$5 billion per year in revenues from federal offshore and onshore mineral leases. Geoscience programs within the land management agencies provide a scientific basis for land-use decisions, a role that they share with the USGS.

AGI is a nonprofit federation of 42 geoscientific and professional associations that represent more than 100,000 geologists, geophysicists, and other earth scientists who work in industry, academia and government. The institute serves as a voice for shared interests in our profession, plays a major role in strengthening geoscience education, and strives to increase public awareness of the vital role that the geosciences play in society's use of resources and interaction with the environment.

U.S. GEOLOGICAL SURVEY

For the fourth year in a row, the USGS faces cuts in the administration's request. AGI thanks Congress and members of this new subcommittee for its past record of restoring critical funds and recognizing the Survey's essential value to the nation.

AGI is a charter member of the USGS Coalition, an alliance of nearly 70 organizations united by a commitment to the continued vitality of the unique combination of biological, geological, hydrological and mapping programs of the U.S. Geological Survey. The Coalition supports increased federal investment in USGS programs that underpin responsible natural resource stewardship, improve resilience to natural and human-induced hazards, and contribute to the long-term health, security and prosperity of the nation.

Virtually every American citizen and every federal, state, and local agency benefits either directly or indirectly from USGS products and services. As was made clear by the National Research Council report *Future Roles and Opportunities for the U.S. Geological Survey*, the USGS's value to the nation goes well beyond the Department of the Interior's stewardship mission for public lands. USGS information and expertise address a wide range of important problems facing this nation: earthquakes and floods, global environmental change, water availability, waste disposal, and availability of energy and mineral resources. The Survey serves the nation, through specific results that can be applied elsewhere to broad assessments used for national planning. At the same time, AGI recognizes that the Survey does have a responsibility to provide scientific support for its sister land management agencies at Interior, an important mission that needs to be well executed if land management decisions are to be made with the best available scientific information. It is impera-

tive that both these missions be recognized and valued within the Department and the White House. AGI asks the subcommittee to continue its efforts to help the administration better understand the Survey's value to the nation as a whole.

*Mineral Resources Program.*—This highly regarded research program is the nation's premier credible source for regional, national and global mineral resource and mineral environmental assessments, statistics and research critical for sound economic, mineral-supply, land-use and environmental analysis, planning and decision-making. AGI urges the subcommittee to reject the administration's requested cuts to this program and to fund it at the fiscal year 2005 appropriated level of \$54 million. The 53 percent cut, leaving the program with only \$25 million in fiscal year 2006 would decimate the program. It would cost at least 240 full time positions and eliminate the collection of nation-wide basic geologic and mineral deposit data, the internationally coordinated global mineral resource assessment, and many mineral commodity reports. The essence of the program would be jeopardized at a time when mineral products account for \$418 billion of the U.S. economy and are a growing and valuable commodity.

The Mineral Resources Program (MRP) has 6 divisions with offices across the United States working on a broad range of initiatives to secure the nation's economic base and environmental welfare. Each month, the Minerals Information Services of the MRP responds to 2,000 telephone inquiries and more than 90,000 email or facsimile inquiries from the federal government, state agencies, domestic and foreign agencies, foreign governments and the general public. Cutting-edge research by MRP scientists investigates the role of microbes in the geochemical cycles of arsenic, mercury, lead and zinc to understand the transport and accumulation of health-threatening toxins related to these elements and to distinguish their natural or anthropogenic sources. An MRP study analyzed the occurrence and distribution of asbestos-bearing vermiculite deposits in the United States, in response to the health problems created by Libby Mine's asbestos-bearing vermiculite deposit in Montana. MRP scientists also investigated and prepared a report on the asbestos-bearing debris in the aftermath of the World Trade Center disaster. An MRP report on the diatomite mining industry concluded that the U.S. industry is mature and stable, accounting for at least 50 percent of all diatomite exported in 2001, but may be adversely affected by overproduction in other countries now. The Global Mineral Resource Assessment Project of the MRP provides unbiased and timely information about the current and future availability of mineral resources around the world, which is needed to understand and anticipate economic, health, environmental and political factors that will affect how these resources are used in this increasingly interconnected world.

The data and analyses of the MRP are used by the Department of the Interior, Department of Defense, the Central Intelligence Agency, the Department of State, the Federal Reserve, other federal, state and local government entities, foreign governments, private companies and the general public. Analyses based on the MRP data are essential for guiding economic and environmental policy and for providing options for land use decisions posed by industry, government and private land owners. We urge the subcommittee to restore the Mineral Resources Program to its fiscal year 2005 level of \$54 million so that it may perform its core missions effectively and efficiently.

*National Cooperative Geologic Mapping Program.*—AGI is encouraged by the administration's requested 1 percent increase for the National Cooperative Geologic Mapping Program and values Congress' past support for much larger increases. This important partnership between the USGS, state geological surveys, and universities provides the nation with fundamental data for addressing natural hazard mitigation, environmental remediation, land-use planning, and resource development. The program was authorized (Public Law 106-148) to grow by about 10 percent to 20 percent per year from a starting level of \$28 million in 1999 to \$64 million in 2005. The program received \$25.2 million in 2005 and AGI would encourage a 10 percent increase for 2006 because the program provides a timely basis for assessing water availability and quality, risks from hazards and other major land and resource-use issues that are of increasing prominence in many states.

*Natural Hazards.*—A key role for the USGS is providing the research, monitoring, and assessment that are critically needed to better prepare for and respond to natural hazards. The tragic earthquake and tsunami in the Indian Ocean remind us of the need for preparation, education, mitigation and rapid response to natural hazards. Last year 27 major disasters were declared because of earthquakes, landslides, hurricanes, fires and floods. In addition, Mount St. Helens began erupting again in 2004 and continues to be active in 2005 with a steam and ash plume eruption reaching 36,000 feet in altitude on March 8. AGI strongly supports the administration's request for increased funding for Earthquake, Volcano and Landslide Hazards and

appreciates Congress' past support for these programs. With great forethought, the Earthquake Hazards Reduction Authorization Act of 1999 called for a significant federal investment in expansion and modernization of existing seismic networks and for the development of the Advanced National Seismic System (ANSS)—a nationwide network of shaking measurement systems focused on urban areas. ANSS can provide real-time earthquake information to emergency responders as well as building and ground shaking data for engineers and scientists seeking to understand earthquake processes. ANSS was funded at about 10 percent of its authorized level during its first 3 years and received about \$16 million. The law calls for 7,000 instruments to be deployed. Currently, 62 are active. The National Earthquake Hazards Reduction Program (NEHRP) was reauthorized in October 2004 and AGI supports the appropriation of full funding for this vital program. AGI strongly supports the proposed increase of \$5.4 million for fiscal year 2006 for earthquake warning systems development related to the Tsunami Warning Network enhancements. We hope that all of these under funded systems will receive additional support to meet their timely goals of better protection and mitigation of earthquake hazards long before we need to react.

*Water Programs.*—The president's request calls for the termination of the Water Resources Research Institutes. AGI strongly encourages the subcommittee to oppose these reductions and to fully support this program at its small, but effective fiscal year 2005 level of \$6.4 million. AGI is pleased that the administration has requested full funding for the National Water Quality Assessment and National Streamflow Information programs, both of which make important contributions to the nation.

*Homeland Security.*—Another troubling aspect of the president's request is the lack of funding for the USGS activities in support of homeland security and the war on terrorism overseas. All four disciplines within the Survey have made and continue to make significant contributions to these efforts, but the fiscal year 2006 request does not provide any direct funding. Instead, those costs must be absorbed in addition to the proposed cuts. AGI encourages the subcommittee to recognize the Survey's important role in homeland security and ensure adequate support for its newfound responsibilities.

#### SMITHSONIAN INSTITUTION

The Smithsonian's National Museum of Natural History plays a dual role in communicating the excitement of the geosciences and enhancing knowledge through research and preservation of geoscience collections. AGI asks the subcommittee to build up Smithsonian research with steady increases that are a tiny fraction of the overall budget, but would dramatically improve the facilities and their benefit to the country.

#### NATIONAL PARK SERVICE

The national parks are very important to the geoscience community as unique national treasures that showcase the geologic splendor of our country and offer unparalleled opportunities for both geoscientific research and education of our fellow citizens. The National Park Service's Geologic Resources Division was established in 1995 to provide park managers with geologic expertise. Working in conjunction with USGS and other partners, the division helps ensure that geoscientists are becoming part of an integrated approach to science-based resource management in parks. AGI would like to see additional support for geological staff positions to adequately address the treasured geologic resources in the national parks.

Thank you for the opportunity to present this testimony to the subcommittee.

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#### PREPARED STATEMENT OF THE AMERICAN INSTITUTE OF BIOLOGICAL SCIENCES

The American Institute of Biological Sciences (AIBS) requests that Congress provide the United States Geological Survey (USGS) with at least \$1 billion in fiscal year 2006. This funding level would restore administration proposed cuts to important science programs, provide a modest but much needed inflation adjustment, and allow implementation of important science and information dissemination initiatives. This funding level would also help USGS address the cost of maintaining research facilities and better address impending workforce issues.

The USGS provides independent data, information, research support and assessments needed by public and private sector decision-makers. The Survey's unique combination of biological, geographical, geological and hydrological research programs enable USGS scientists to utilize cutting-edge interdisciplinary research techniques to answer important questions.

USGS scientists do not work in isolation. Through the Survey's nearly 400 offices located in every state and partnerships with over 2,000 federal, state, local, tribal, and private organizations, the USGS has built the capacity to leverage additional research expertise. For example, through the Cooperative Research Units program USGS scientists are stationed on university campuses.

This proximity to academic researchers helps bring additional intellectual and technical resources to bear on the biological, ecological, and natural resource questions USGS seeks to understand. The value of Cooperative Research Units extends beyond their immediate research productivity, however. Cooperative Research Units are a vital component of our national education and training infrastructure. These research units enable future natural resource professionals to gain the skills and experience government agencies need. Furthermore, Cooperative Research Units are one of USGS' mechanisms for providing data and technical assistance to local, state, and national decision-makers.

Natural resource managers require reliable, relevant, and timely information. The Biological Informatics Program develops and applies innovative technologies and practices to the management of biological data, information, and knowledge resulting from research, thereby increasing the value of that research to scientists, planners, decision-makers, educators, students, and the public. Increased funding for the USGS would enable the Biological Informatics Program to continue on-going activities and begin to implement initiatives that the resource management and research communities have identified as national priorities.

USGS biological research programs gather important data and information that academic, private sector, or other government scientists do not or can not collect. For instance, a clear national priority is the prevention and mitigation of future losses resulting from non-native species invading new environments. USGS research is helping guide our understanding of how invasive species, such as the zebra mussel, snakehead fish, or tamarisk, colonize new environments. Decision-makers, whether working for the National Park Service, a state parks department, or a hydroelectric utility, utilize USGS science to develop action plans for combating invasive species.

Infrastructure is vital to science. Increasingly, coordinated networks of databases and data gathering instruments are required to answer the questions that public policymakers and scientists are asking. For example, biologists may use real-time data from the USGS streamgauge network to determine how quickly a pollutant travels through a watershed, impacts downstream fisheries, or enters a community's drinking water supply.

USGS biologists conduct impartial research that makes it possible to assess the vitality of waterfowl, songbirds, large mammals, terrestrial plants, amphibians, and their habitats. These data subsequently inform state and federal agency conservation planning and management. As an example, the USGS bird-banding program allows scientists to better understand bird populations, habitat requirements, and migration routes. An understanding of these matters is necessary to inform the development of hunting regulations.

Within the Biological Research and Monitoring account, the budget request proposes several important funding increases. For instance, the budget request includes small increases for ecological systems mapping, the Great Lakes Deepwater Fisheries Program, Science on Interior's Landscape, support for biological and geological research for better decision making in the Glen Canyon Dam Adaptive Management Program, and the development of innovative control methodologies for invasive plants.

Unfortunately, the budget request calls for cuts of just over \$4.0 million in the Biological Research and Monitoring account. These cuts would end research on the Mark Twain National Forest, pallid sturgeon, diamondback terrapins, the grizzly bear population in Montana, the ground-water supply at Leetown Science Center, fishery genetics research in the Northeast and Mid-Atlantic regions, manatees, the Delaware River Basin, and a portion of a general program increase. We encourage the committee to work to restore these cuts.

The administration has also requested potentially damaging general funding cuts. Included in this category is a \$420,000 cut from the USGS vehicle fleet and reduced travel and transportation costs. USGS biological research requires that scientists be able to travel to field research sites and scientific meetings. Thus, we request that the committee carefully review this proposed cut to ensure adequate funding is available to support ongoing research activities. Additionally, the proposed budget would eliminate the Nebraska Cooperative Research Unit. At least \$395,000 should be appropriated to maintain this research unit. However, we encourage the committee to also work to provide additional funding to support the overall Cooperative Research Units program.

In the fiscal year 2005 appropriation, Congress funded “uncontrollable costs,” such as salary and office space rental cost increases. The administration should be commended for accounting for these costs in the fiscal year 2006 budget request. We encourage the committee to once again work to fully fund these expenses. Without full funding of these expenses, USGS science programs would likely be forced to re-program funds that would otherwise support science.

Thank you for your thoughtful consideration of this request.

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PREPARED STATEMENT OF THE KENNESAW MOUNTAIN HISTORICAL ASSOCIATION

Mr. Chairman and Honorable Members of the Committee: I appreciate the opportunity to present this testimony in support of a \$2.21 million appropriation from the Land and Water Conservation Fund in fiscal year 2006 to begin acquisition of a prime piece of property at Kennesaw Mountain National Battlefield Park.

The Kennesaw Mountain Historical Association is a nonprofit cooperating association working in partnership with the National Park Service. Our organization is dedicated to enhancing the public’s understanding and appreciation of Kennesaw Mountain National Battlefield Park. The association operates the visitor center bookstore as well as provides staff at the visitor center front desk. All proceeds from items sold in the store and from memberships directly benefit the park. Our support helps provide lectures, seminars, historical and environmental tours, educational materials, and interpretive programs.

Kennesaw Mountain National Battlefield Park was established to commemorate the 1864 Atlanta campaign. On June 19, 1864, the Union troops of General William Sherman reached Kennesaw Mountain on their march from Chattanooga, Tennessee to Atlanta, Georgia. A series of attacks ensued as Confederate soldiers, led by General Joseph Johnston, attempted to stave off the Union brigades. In the end, Sherman returned to his flanking strategy and the Southerners abandoned their Kennesaw lines. Nearly 4,000 soldiers lost their lives in the battle at Kennesaw.

An opportunity exists over the next two years to conserve the Hensley property, a 45-acre inholding of the park. This prized land contains earthen fortifications used by Union Infantry during the siege of Kennesaw Mountain and Marietta. The earthworks on the Hensley property are an important continuation of those in the park. They are part of the federal infantry line, which helped protect the 24-gun battery assembled by General Sherman to drive the Confederates from their mountain citadel. This tract is a combination of fields, forest, and lake, and would significantly enhance the historic value of the park. Over the next ten years, the park is expected to improve the tour route, add more interpretive signs, and add the 24-gun battery as a tour stop.

The preservation of the Hensley property would protect one of the few remaining significant tracts of land in the area. Presently zoned for residential and agricultural uses, this land faces the imminent threat of development as growth in this area is occurring rapidly. The Hensley property is located in west Cobb County, which for a long time consisted solely of farmland, and where Kennesaw Mountain National Battlefield Park served as a major buffer from burgeoning commercial and residential development from the east. In past years, this buffer has been overwhelmed by growth from the east and west as a result of its close proximity to Atlanta.

In an area where large tracts of land are disappearing, acquisition of this unique inholding is crucial to preserving the cultural history of Kennesaw Mountain and its Civil War legacy.

Thank you for the opportunity to present this request.

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PREPARED STATEMENT OF THE NATIONAL COUNCIL FOR SCIENCE AND THE ENVIRONMENT

SUMMARY

The National Council for Science and the Environment (NCSE) urges Congress to appropriate \$1.0 billion for the U.S. Geological Survey (USGS) in fiscal year 2006, an increase of 7.1 percent over the fiscal year 2005 enacted level. For the U.S. Environmental Protection Agency (EPA), NCSE urges Congress to appropriate at least \$790 million for the Science and Technology account, including at least \$100 million for the Science to Achieve Results (STAR) research grants program and \$10 million for the STAR graduate fellowship program, as well as \$10 million for the Office of Environmental Education.

As a result of the committee's recent reorganization, the Senate Appropriations Subcommittee on Interior and Related Agencies now has broader jurisdiction over environmental research and education. NCSE commends the subcommittee for its past bipartisan leadership in support of science to improve environmental decision-making. We ask for your continued leadership in addressing pressing national challenges by appropriating strong and growing funding for environmental research and education at the USGS, EPA, and other agencies under the subcommittee's expanded jurisdiction.

The National Council for Science and the Environment is dedicated to improving the scientific basis for environmental decisionmaking. We are supported by over 500 organizations, including universities, scientific societies, government associations, businesses and chambers of commerce, and environmental and other civic organizations. NCSE promotes science and its essential role in decisionmaking but does not take positions on environmental issues themselves.

#### U.S. GEOLOGICAL SURVEY

The vital importance of the USGS in protecting public safety was highlighted by the tragic loss of life caused by the tsunami that was triggered by a great earthquake beneath the Indian Ocean on December 26, 2004. Investments in the USGS pay enormous dividends by reducing risks from earthquakes, volcanic eruptions, floods, landslides, and other natural hazards.

As a founding member and co-chair of the USGS Coalition, NCSE joins with 68 other organizations in recommending an appropriation of \$1.0 billion for the U.S. Geological Survey in fiscal year 2006, an increase of 7.1 percent above the fiscal year 2005 enacted level. This increase would enable the USGS to restore the science cuts proposed in the budget request, accelerate the deployment of critical projects (e.g., Advanced National Seismic System and the National Map), and launch new science initiatives that would begin to reverse the cumulative effects of the long-term funding shortfall that has left the USGS budget stagnant for the past decade.

The fiscal year 2006 budget request would cut funding for the USGS by \$1.9 million or 0.2 percent to \$933.5 million. The budget request would offset \$36.7 million of cuts in existing program activities with \$33.4 million in new and expanded program funding. Two large program cuts are of special concern to NCSE. The budget request would cut \$28.7 million from the Mineral Resources program, a devastating 53 percent decrease in funding. The USGS budget request would also eliminate the entire \$6.4 million budget for the Water Resources Research Institutes, which are located in all 50 states.

The USGS Mineral Resources program is an essential source of objective guidance and unbiased research on our mineral resources that helps guide economic development of natural resources and protection of the environment. This guidance and research is important to reduce the environmental impacts of mining and to maintain the growing value of processed materials from mineral resources that accounted for \$418 billion in the U.S. economy in 2004, an increase of 13 percent over 2003. The proposed cuts in the Mineral Resources program would also terminate multidisciplinary research that has important implications for public health and environmental protection, such as studies on mercury, arsenic and other inorganic toxins.

The Water Resources Research Institutes have been successful in developing cooperative programs that leverage federal investments with funds from other sources. Last year, the House Appropriations Subcommittee on Interior and Related Agencies said, "The Administration has placed a high priority on cooperative programs that leverage funds from state and local governments as well as private entities. The committee believes that bureaus that are successful in implementing these policies should be rewarded and not penalized."

The proposed budget cuts would adversely affect the ability of the USGS to achieve its mission. We encourage Congress to restore these cuts, but this funding should not come at the expense of other high priority programs elsewhere in the USGS budget.

The USGS budget request would add \$33.4 million in new and expanded program funding, including \$5.4 million for facilities and operations to provide more robust detection and notification of earthquakes that could generate a dangerous tsunami. The USGS effort will complement NOAA's effort to enhance and expand the tsunami warning system to detect any tsunami that might strike anywhere along the U.S. coast. The budget request would also provide an increase of \$19.5 million for land remote sensing activities that support a broad array of economic, agricultural and environmental uses. This funding would allow the USGS to continue operation of the damaged Landsat 7 satellite and work with NASA and NOAA to begin building a ground-based system for a Landsat follow-on mission. The USGS budget re-



quest would provide small increases to improve volcanic monitoring, expand pilot studies to assess ground-water depletion in the western United States, strengthen ecosystem studies in the Puget Sound, and address other important issues. These initiatives deserve the support of Congress.

The USGS budget request would provide \$17.2 million to fully fund increases in “fixed costs,” such as salaries and rent. In past years, increases in fixed costs were partially “absorbed” by individual programs. Cumulatively, this practice has had a disproportionate impact on core USGS programs in biology, geology, hydrology, and mapping, which cannot absorb cuts without affecting scientific research and monitoring activities. Without full funding of fixed cost increases, the USGS may be forced to further curtail ongoing activities, hindering or preventing the delivery of data needed by natural resource managers and emergency planners. This would increase our vulnerability to natural disasters and increase the costs of recovery.

In addition to restoring the proposed program cuts, we encourage Congress to provide additional increases that would enable the USGS to meet the tremendous need for science in support of decisionmaking. More investment is needed to strengthen USGS partnerships, improve monitoring networks, produce high-quality digital geospatial data and deliver the best possible science to address societally important problems. The USGS has a national mission that encompasses the homes of all citizens through natural hazards monitoring, drinking water studies, biological and geological resource assessments, and other activities.

During the past ten years, total federal spending for non-defense R&D has risen by 64 percent in constant dollars. By contrast, R&D funding for the USGS has remained nearly flat over the past decade after adjusting for inflation. Even this flat funding for the USGS reflects congressional restoration of proposed budget cuts.

We encourage Congress to provide the USGS with a budget that will allow for the modest growth necessary to address emerging needs for science. After years of stagnant funding and absorption of uncontrollable cost increases, the USGS has a large and growing backlog of monitoring and science needs. The National Council for Science and the Environment urges Congress to appropriate \$1.0 billion for the USGS in fiscal year 2006. This investment will help the USGS improve monitoring networks, strengthen partnerships, produce high-quality data, and deliver impartial science that serves the needs of the nation.

#### ENVIRONMENTAL PROTECTION AGENCY

The National Council for Science and the Environment urges Congress to appropriate a minimum of \$790 million for EPA’s Science and Technology account, including at least \$100 million for EPA’s Science to Achieve Results (STAR) research grants program and \$10 million for EPA’s STAR graduate fellowship program. NCSE also urges Congress to restore full funding for the Office of Environmental Education at a level of at least \$10 million. In order to fulfill its mission, EPA needs increased investments in both its intramural and extramural research programs.

The fiscal year 2006 budget request for the STAR programs is \$63.3 million, which is 39.5 percent below the fiscal year 2004 request of \$104.7 million. The budget for the research grants program has been on a steady decline despite extremely positive reviews from the National Academy of Sciences. The budget for the graduate fellowships has oscillated between \$5 million and \$10 million in recent budget cycles. These programs deserve strong and stable funding.

Last year, Rep. Vernon Ehlers, Chairman of the House Science Subcommittee on Environment, Technology and Standards, convened a hearing to examine the proposed cuts to EPA’s STAR programs. He concluded, “I have not heard a convincing reason today for why the STAR program was cut so dramatically. By all accounts, it is a well-run, competitive, peer reviewed program that produces high quality research. These proposed reductions should not be allowed to take effect.” We believe the same is true today. NCSE recommends a minimum appropriation of \$100 million for the EPA STAR research grants program in fiscal year 2006, the same funding level proposed in the President’s fiscal year 2004 budget request.

Deep budget cuts to the EPA STAR program have been proposed less than two years after the National Academies issued a laudatory report, *The Measure of STAR*, which concludes that the program supports excellent science that is directly relevant to the agency’s mission. According to the report, the STAR program has “yielded significant new findings and knowledge critical for regulatory decision making.” The report says, “The program has established and maintains a high degree of scientific excellence.” It also concludes, “The STAR program funds important research that is not conducted or funded by other agencies. The STAR program has also made commendable efforts to leverage funds through establishment of research partnerships with other agencies and organizations.”

The EPA STAR research program compares favorably with programs at other science agencies. According to the National Academies report, "The STAR program has developed a grant-award process that compares favorably with and in some ways exceeds that in place at other agencies that have extramural research programs, such as the National Science Foundation and the National Institute of Environmental Health Sciences."

The STAR research grants program expands the scientific expertise available to EPA by awarding competitive grants to universities and independent institutions, to investigate scientific questions of particular relevance to the agency's mission. The National Academies report says, "The STAR program should continue to be an important part of EPA's research program."

NCSE urges Congress to appropriate at least \$10 million for the STAR graduate fellowship program in fiscal year 2006. This is the only federal program aimed specifically at students pursuing advanced degrees in environmental sciences. According to the National Academies report, "The STAR fellowship program is a valuable mechanism for enabling a continuing supply of graduate students in environmental sciences and engineering to help build a stronger scientific foundation for the nation's environmental research and management efforts." The STAR fellowship program is highly competitive, with only 7 percent of applicants being awarded fellowships. This level of funding is insufficient to allow all students whose applications are rated as excellent to receive fellowships.

The President's budget request has proposed deep cuts in the STAR graduate fellowship program in recent years. The budget request would have cut funding for the STAR graduate fellowship program by 50 percent in fiscal year 2004 and by 100 percent in fiscal year 2003. Congress restored full funding for the EPA STAR graduate fellowship program in both years. NCSE encourages Congress to restore full funding for the program again in fiscal year 2006.

The fiscal year 2006 budget request proposes no funding for the EPA Office of Environmental Education. NCSE strongly encourages Congress to restore full funding of at least \$10 million to support the congressionally mandated programs administered by this office. These programs provide national leadership for environmental education at the local, state, national and international levels, encourage careers related to the environment, and leverage non-federal investment in environmental education and training programs.

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PREPARED STATEMENT OF THE NATIONAL FEDERATION OF FEDERAL EMPLOYEES  
(NFFE) LOCAL 1957

I am writing on behalf of the National Federation of Federal Employees (NFFE) Local 1957, the bargaining unit for the Minerals Information Team (MIT), Geologic Division, U.S. Geological Survey (USGS), Reston, VA. We are concerned that the Administration's proposed budget for 2006, which includes a \$2 million reduction that eliminates MIT's core International Information function (collecting, reporting, and analyzing data on the foreign supply of minerals needed by the U.S. economy), will severely affect the ability of the members of our bargaining unit to provide critical information on the nation's mineral supply. MIT's mission is to collect, analyze, and disseminate information on the domestic and international supply and domestic consumption of minerals and materials essential to the U.S. economy and its national security. Nonfuel mineral materials processed in the United States totaled more than \$400 billion in 2004. MIT collects and disseminates data on more than 100 mineral materials originating from more than 180 countries. The U.S. import dependence for most strategic and critical nonfuel minerals exceeds 75 percent, which is greater than the country's dependence on foreign oil.

In 2004, the House Appropriations Committee in its markup recognized the contribution of the Minerals Resources Program when it wrote that it "strongly disagrees with the proposed reduction in the (U.S. Geological) Survey's mineral resources program. Minerals and mineral products are important to the U.S. economy . . ." Our bargaining unit could not agree more with that position and we urge Congress to once again retain the international data collection function of MIT to enable the NFFE bargaining unit members to maintain their capabilities to serve the national interest by providing Congressionally mandated information critical to the nation's mineral supply.

MIT was transferred to the U.S. Geological Survey (USGS) in 1996 under a Joint House-Senate Conference Amendment that provided for the minerals information activities, formerly conducted by the U.S. Bureau of Mines, to continue within the USGS. The Defense Production Act of 1950, as amended (1980 & 1992), delegates significant authority to the Secretary of the Interior relating to the assurance of an

adequate supply of mineral materials necessary for the national defense, with the specific responsibility for analyses of domestic and foreign supplies.

As the economies of China, India, and other developing countries continue to grow, the increasing global demand for mineral resources will affect the U.S. economy's ability to have ample affordable mineral resources to meet its needs and will require international information regarding the production and consumption of minerals. Without data on international supply, there would be a critical information gap regarding the U.S. mineral supply. Elimination of our international function through a 13 percent (\$2 million) budget reduction would severely limit our ability to fulfill our obligations under the USGS's Congressionally mandated mission to supply information on the nation's supply of nonfuel minerals.

Information and analyses produced by the Minerals Information Team are widely used and relied upon by our Government and private sector. The Minerals Information Team produces more than 500 publications per year covering most nonfuel minerals, including the Mineral Commodity Summaries for the Congressional Offices. Our web site provides approximately 1.4 million publication downloads per year and nearly the same number of hits. The U.S. Departments of Commerce, Defense, Treasury, and State, as well as the Central Intelligence Agency, the Federal Reserve Board, the Overseas Private Investment Corporation, the International Trade Commission, and the Office of the U.S. Trade Representative have increasingly relied on the USGS-MIT specialists for global minerals-related policy analysis, as have domestic agencies, including the U.S. Bureau of Land Management, the Minerals Management Service, the National Park Service, and the U.S. Forest Service. MIT data are cited in Securities and Exchange Commission filings by mining companies requiring an authoritative, impartial source for statements of world resources, capacities, production and consumption.

We sincerely appreciate your consideration of this issue that affects the interests of both the Nation and the members of NFFE local 1957.

#### SUMMARY POINTS

- The proposed Administration budget for 2006 stipulates a \$2 million reduction in the MIT budget that eliminates the core International Information function.
- The Defense Production Act of 1950, as amended (1980 & 1992), delegates significant authority to the Secretary of the Interior relating to the assurance of an adequate supply of mineral materials necessary for the national defense, with the specific responsibility for analyses of domestic and foreign supplies.
- The U.S. import dependence for most strategic and critical nonfuel minerals exceeds 75 percent, which is greater than the country's dependence on foreign oil.
- Elimination of the International Information function would limit the bargaining unit's ability to fulfill its mission and would contradict the USGS's Congressionally mandated mission to supply information on the nation's supply of nonfuel minerals.
- Without data on international supply, there would be a critical information gap regarding the U.S. mineral supply.
- NFFE local 1957 urges Congress to retain the international data collection function of MIT which would enable our bargaining unit members to maintain their capabilities to serve the national interest by providing Congressionally mandated information on the nation's mineral supply.

#### NFFE LOCAL 1957 BRIEFING ON THE USGS MINERALS INFORMATION TEAM & MINERAL RESOURCES PROGRAM

##### USGS MINERALS INFORMATION TEAM (MIT)

The Administration's proposed \$2 million cut to MIT's current funding level would eliminate MIT's international data collection function and severely compromise the USGS' ability to meet its mission as mandated by Congress.

- MIT's international information function would be eliminated, greatly limiting the MIT bargaining unit's ability to meet its core mission—to collect, report, and analyze data on the supply of minerals critical to the Nation's economic and national defense needs.
- The USGS, therefore, could not fulfill its Congressional mandate to assure there is an adequate and dependable supply of mineral materials necessary for national defense, as established by The Defense Production Act of 1950, as amended (1980 & 1992).

Because of the global nature of the minerals industry, mineral commodity assessments require international information.

- The Administration's budget proposal comes at a time of increased globalization and demand for minerals. The economies of China, India, and other developing countries continue to grow, which creates an ever increasing global demand for mineral resources. This will affect the U.S. economy's ability to have ample affordable mineral resources to meet its needs and will require international information regarding the production and consumption of minerals.
- The U.S. import dependence for most strategic and critical nonfuel minerals exceeds 75 percent, which is greater than the country's dependence for oil. In 2004, MIT found that U.S. companies relied more than 50 percent on imports to meet their needs for 42 of 81 minerals (USGS Mineral Commodity Summaries 2005). Of those, the import reliance was 100 percent for 17 minerals and at least 80 percent for another 11.
- Helping assure the country has ample mineral resources to meet its needs simply cannot be done with disregard to international factors that affect the supply and demand of those resources.
- MIT's budget should be permanently set as a separate line item, and the budget increased to \$20 million.
- Repeated attempts by the Administration to reduce MIT funding over the last several years raise the question of the group's long-term viability under the current budget structure.
  - In 2002, Congress rejected a similar proposed \$2 million reduction in MIT's budget.
  - Since then, Congress has continued to reject proposed cuts to MIT funding.
- Since 1998, MIT's budget of about \$16 million has fallen about 5 percent, which represents more than a 20 percent decrease when accounting for salary cost of living adjustments and other inflationary costs. Such a severely constrained budget challenges the group's ability to retain its expertise, attract new hires for succession planning, and perform at the highest levels.
- NFFE urges Congress to increase MIT funding to \$20 million, which is equivalent in today's dollars to MIT's funding within USGS in 1998. This represents only about 0.0045 percent of the non-defense discretionary budget of \$445 billion as estimated by the Congressional Budget Office in January 2004, and would afford MIT the means to better meet its mission. As the nation's only source of comprehensive and unbiased mineral commodity data, MIT should be retained and enhanced.
- At a minimum, MIT's international function should be retained and, accordingly, MIT's budget should be restored by \$2 million so that the MIT bargaining unit can meet its core mission functions.

#### MINERAL RESOURCES PROGRAM (MRP)

The NFFE is concerned that the proposed budget reduction for the MRP overall could adversely impact the MIT collective bargaining unit through the Reduction in Force process and elimination of valuable information MIT requires in the analyses of global mineral supply. Accordingly, we have several points we would like to make regarding MRP funding that affect the MIT bargaining unit's ability to carry out its mission.

The proposed \$28.7 million reduction in the MRP that assumes nonfuel mineral resource assessments are somehow of lesser priority to the Nation's economy and security than those of fuel minerals is puzzling and diminishes the mission of the MIT bargaining unit.

- Nonfuel mineral mining and use significantly impacts the U.S. economy. Of the total \$21 trillion in sales by U.S. industries in 2004, preliminary USGS estimates show processed mineral materials contributed about \$5.2 trillion. The value of U.S. raw nonfuel mineral mine production alone is estimated at about \$47 billion.
- According to the U.S. Department of Commerce, major industries consuming processed mineral materials added more than \$1.7 trillion to the total U.S. GDP in 2003.
- Without nonfuel minerals, the Nation's infrastructure (including that of the energy sector) could not be built or maintained, nor its borders and quality of life for its peoples protected.

The assertion that expertise exists at various universities and state geological surveys to continue minerals work that would be brought to an end by the proposed budget reduction is optimistic, would deprive the MIT bargaining unit of needed expertise, and would not include work that is inherently a Federal government function.

—While it is true that universities and state geological surveys have expertise in minerals deposits, without a firm Federal commitment and participation, these groups and other organizations would not be able to meet the many public and private needs for minerals-related information and expertise.

—For example, 14 of 27 university mining engineering programs in the United States have closed since 1985, including those at New Mexico Institute of Mining & Technology, University of California-Berkeley, and the University of Idaho. Of the 13 remaining, only 3 have more than 8 faculty members. Economic geology programs have a similar pattern though they typically consist of only one faculty member.

—Recognizing the need for Federal funding of mineral-resource and related research, the National Research Council recommended the USGS fund an external grants program for minerals-related research at universities in 1996 and again in 2004. In response to these reports and strong interest from the minerals community, the USGS MRP created an external grants program using internal funds in fiscal year 2004. Ironically, this program would be eliminated by the proposed fiscal year 2006 budget.

—Of great concern to us is the Country's trend towards losing more of its ability to assess mineral resources and the factors that affect them as evidenced by dwindling university programs, student enrollment, and number of faculty, as well as decreasing Federal funding through the closure of the U.S. Bureau of Mines in 1996 and flat MRP funding levels since then. This would be further compounded by the loss of 240 MRP positions, including 20 in MIT, which would result from the proposed fiscal year 2006 budget cut. Like most of the minerals on which the country relies, the Nation is at risk of becoming import reliant on people with mineral expertise!

The proposed \$28 million reduction in the MRP calling for a focus only "on those needs that are inherently Federal" would make it unduly difficult for MIT to carry out its mission. The MIT and MRP missions are "inherently Federal" as described on page 1–8 of the Department of Interior's justification document:

"The Federal role in conducting science to understand geologic hazards, *resources* [emphasis added], and processes derives from the U.S. Government's responsibilities to protect the lives and property of its citizens, to support continued economic growth and competitiveness . . ."

—MRP's core responsibility is to provide unbiased, scientifically sound resource assessments about the availability and quantity of the Nation's mineral resources, including the economic and environmental effects of resource extraction and use. As with energy mineral resources, the United States continues to rely ever increasingly on foreign sources to meet its needs. In trying to focus mineral resources assessments only on domestic sources and then those only on Federal lands would surely constitute an abrogation of Federal responsibility by putting the Nation at great economic and security risk.

—Further, because the information used in the numerous MIT reports is often proprietary, only the Federal government can fulfill the role of a trusted third party. Companies and many foreign governments would be greatly disinclined to provide proprietary information to non-government entities.

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#### PREPARED STATEMENT OF THE NATIONAL INSTITUTES FOR WATER RESOURCES

Mr. Chairman, I am James Moncur, President of the National Institutes for Water Resources and Director of the Hawaii Water Resources Research Center at the University of Hawaii. My statement requests the Subcommittee to provide \$8.775 million to the U.S. Geological Survey for the state Water Resources Research Institutes program.

First, I want to thank you and this Subcommittee for the strong support you have given to this program in past years. You have recognized the great value in having federal, state, and local government agencies cooperating with a network of universities to produce new knowledge about water resources as well as train a new generation of talented and educated water professionals.

I want to acknowledge the leading role you and your colleagues have played to ensure that the U.S. Geological Survey continues to provide the science needed to manage the nation's natural resources. The water institute directors who are represented by NIWR recognize that the Survey is the nation's preeminent natural resources science organization and that it is faced with growing scientific demands to support responsible stewardship of our natural resources.

The Water Resources Research Institutes program was first authorized by the Water Resources Research Act of 1964. In establishing and supporting this federal-state-academic partnership, Congress recognized the great success of the state water resources research institutes in providing sound science and well educated professionals to the nation's water management programs, and doing so in a highly efficient manner.

#### REQUEST

The National Institutes for Water Resources respectfully request the addition of \$8.775 million to the U.S. Geological Survey's fiscal year 2006 budget for the state Water Resources Research Institutes program. This recommendation is based on the following components:

- \$7 million in grants for the 54 institutes as authorized by Section 104(b) of the Water Resources Research Act;
- \$1.5 million to support the national competitive grants program authorized by Section 104(g) of the Act; and
- \$275,000 for program administration at USGS.

These amounts would provide each institute \$125,000 under Section 104(b), to support state-based competitions for research and graduate education at the institutes, located at land-grant universities in each state, three territories and in Washington, D.C. For fiscal year 2005, this grant was \$92,412. It would also provide for an increase from about \$1 million to \$1.5 million for the national competitive grants program under Section 104(g). Competition for the 104(g) awards is extremely vigorous; in 2004, for example, 45 proposals were submitted to the 104(g) program, requesting a total of \$6.8 million; only 8 were funded.

#### JUSTIFICATION

Since their creation by Congress in 1964, the state water resources research institutes have established a remarkable infrastructure of physical and human capital for studying water resource problems. The institutes link scientists and scholars from a wide array of disciplines, institutions and agencies to focus on the diverse characteristics and effects of water and related resources. The network composed of these institutes serves an invaluable function in sharing knowledge across state lines and addressing problems created by the insistence of rivers, aquifers, floods and droughts on ignoring the boundaries of our states.

Unfortunately, few of these problems are anywhere near completely and finally "solved" and new issues continue to arise. Several areas are rapidly approaching or have passed the sustainable limits of groundwater withdrawals. Control of non-point source pollutants is a vast undertaking, far from complete despite several years of earnest effort. Contention over river flows has spread from the dry West to some of the relatively wet eastern states. Floods, forest fires, homeland security and newly discovered chemical contaminants all remain challenging issues. Water will be an increasingly scarce resource of the 21st century and is thought by many to be a likely cause of regional conflicts and war.

The importance of these problems varies from region to region. In my own home state of Hawaii, for example, rapid population growth and a fading sugar-plantation legacy have generated immense changes in water use. These changes have forced a thorough re-examination of the management of aquifers from which most of our water is drawn and have sparked new interest in wastewater reuse, desalination and conservation. In other areas of country, pressures on water supplies of the Rio Grand Basin, acid rain in New England, water storage in Nebraska sand dunes, flooding and drought in several states, and regional water planning in the New York City watershed exemplify the diversity of problems approached by the institutes. This list illustrates the need for a network of research centers to look after problems in their own backyards as well as to collaborate with one another on problems of regional and national scope.

Here are some examples of the institutes' work in the past year:

- The California Institute developed methods of estimating historical populations of salmon, and thus to judge the success of habitat restoration efforts.
- The New Mexico Institute provided technical assistance to the U.S. Bureau of Reclamation and Sandia National laboratories in a large-scale desalination research facility.
- The Virginia Institute coordinates a multi-institute, interdisciplinary academic advisory committee for the Virginia Department of Environmental Quality.
- The New York Institute developed the "multiple barrier" approach to manage non-point source pollutants in the New York City Watershed.

- The Montana Institute, working with the U.S. Fish & Wildlife Service, has formulated strategies to control outbreaks of bacterial coldwater disease in fish hatcheries.
- The Wisconsin Institute produced a computer program to design and evaluate stormwater bioretention facilities intended to enhance urban groundwater recharge.
- The Michigan Institute, with the National Park Service, has developed a web site to make monitoring data and other ecological information available to Park Service managers.

These examples attest to the practicality and applicability of research performed by the institutes. To ensure the usefulness of supported research, each institute has a technical advisory committee, made up of representatives from university faculty, local, state and federal agencies and the private sector. These panels identify the most pressing water problems facing their states, establish priorities and help with local reviews of proposals.

The National Institutes for Water Resources, in collaboration with the USGS, has developed a highly effective and efficient online system for collecting data, reporting results, and reviewing competitive research proposals. The system accepts early drafts of proposals and allows local administrators to choose which to support. It then identifies experts from across the country to provide peer reviews, which they report online. This system is now serving as a model for management of other sponsored research by federal agencies. Planning is under way to extend the system's scope in several dimensions.

Each year the Institute Program produces about 1,000 technical publications dealing with water resources. Roughly one-fourth of these are in refereed scientific journals. In fiscal year 2004, the Institutes conducted more than 160 conferences, seminars and workshops with more than 18,000 participants. Thirty-one institutes publish newsletters detailing research projects and reporting on water events, with total circulation of about 60,000. Nearly every institute maintains a website to further enhance dissemination of research results.

Beyond research and service, the Institutes also make an important contribution to education and training. In fiscal year 2004, 1,449 students (511 undergraduates, 596 master's, 297 Ph.D.s and 45 post-docs) were supported by Institute projects. These projects allowed invaluable hands-on application of classroom instruction for students from agriculture, engineering, economics, geology, geography and many other areas. Often, students have developed theses or dissertations and even found post-graduation employment as a direct result of their Institute-supported work. Encouragement of education in water-related areas is increasingly important as the baby-boom cohort—as important to staffing in water resources areas as in other sectors of the economy—ages and retires in the next decade.

As a whole, the federal appropriation has fostered a network of truly national scope from a collection of individual researchers in universities and water professionals in government and the private sector. The Institutes provide the driving force for collaboration between disciplines and between university faculty, government and private sector personnel. Without federal support, these extensive network benefits would wither away.

This Subcommittee had the foresight to initiate an examination of water resources research funded in this country. In June 2004, the National Research Council released a report surveying federal government investment in water research (*Confronting the Nation's Water Problems: The Role of Research*, National Research Council, 2004). This report identified a number of problems, including a lack of research coordination between federal agencies, leading to some duplication and some gaps. The mission-driven federal agencies, for example, have tended to overlook research in institutional, economic and legal areas, as compared to the physical and engineering sciences. The report notes that “the Water Resources Research Institute system . . . provides an existing, well-organized mechanism for articulating state-based research needs and for bringing together water managers, stakeholders across a wide cross section of the public, and researchers and academic institutions throughout each state.” The NRC suggests expanded roles for the Institutes in collecting information on research priorities from local and state agencies, for consideration by federal policy makers, and in disseminating results of federal research. These activities arise directly from existing functions of the Institutes. In response, the Institutes are preparing a strategic plan expanding on these suggestions, including a pilot study of research priorities.

Last year the USGS Director appointed a panel to undertake the five-year evaluation of the Institutes Program in accordance with the Section 104(e) of Water Resources Research Act. Among its conclusions, the panel found that—

- the Institute Program, with its federal-state matching requirement, is an important and significant part of the nation's water resources research infrastructure.
- the program garners significant funding leverage for the modest federal appropriation that supports it.
- the program also does well in attracting young scientists to the water resources fields.
- the program also embodies an effective information clearing house and fosters significant opportunities for multidisciplinary research on all aspects of water resources research and water management.

Federal funds invested in the Institutes Program have a remarkably high payoff. Each dollar of the 104(b) grant (\$92,412 per institute in fiscal year 2005) requires \$2 matching funds from other sources. The grants directly supported 227 projects nationwide, and led the way to an additional 931 projects funded from other sources. Altogether, the Institutes generated an additional \$16.30 in other funding for each dollar provided by the federal appropriation. Of this, \$8.40 came from other federal sources and \$7.90 from local and state governments, universities, private firms, foundations and other non-federal sources. It is crucial to realize that much of this extra \$16 could not have been generated without the leverage provided by the Congressional appropriation. In the process, the grants serve as a catalyst for universities to invest in and maintain capacities to galvanize faculty, laboratories and equipment and to stimulate student interest in water resource issues.

The 1960s appropriations provided \$100,000 per year to each institute—about \$600,000 in today's dollars. By fiscal year 2005, this had declined to \$92,412 per institute. Research needs for this money have not, unfortunately, diminished apace.

The U.S. Geological Survey Water Resources Research Institutes program generates a high return to the people of the United States by applying sound scientific methods in support of sound water policy and management. The National Institutes for Water Resources urges this Subcommittee to provide \$8.775 million for fiscal year 2006.

Finally, the National Institutes for Water Resources is a member of the USGS Coalition. NIWR strongly concurs in the Coalition's recommendation that Congress increase the budget of the U.S. Geological Survey to \$1 billion in fiscal year 2006, an increase of 7.1 percent above the fiscal year 2005 enacted level. The increase, which is necessary for the Survey to continue providing critical information to decision makers at all levels of government, would enable the USGS to restore the science cuts proposed in the budget request, provide full funding for "uncontrollable" costs, and undertake a few exciting new science initiatives that would begin to reverse the cumulative effects of the long-term funding short fall.

Thank you very much for the opportunity to present these views.

#### PREPARED STATEMENT OF THE PUBLIC SERVICE COMPANY OF NEW MEXICO

I am requesting your support and assistance in insuring continued funding for the Upper Colorado River Endangered Fish Recovery Program and the San Juan River Basin Recovery Implementation Program. These ongoing cooperative programs have the dual objectives of recovering four species of endangered fish while water use continues and water development proceeds in compliance with the Endangered Species Act of 1973, state law, and interstate compacts. Partners in the two programs are the States of New Mexico, Colorado, Utah, and Wyoming, Indian tribes, federal agencies and water, power, and environmental interests. I respectfully request support and action by the Subcommittee that will provide the following:

1. An increase of \$691,000 in the fiscal year 2006 Recovery Element budget (Resource Management Appropriation; Ecological Services Activity, Endangered Species Subactivity; Recovery Element) allocated to "Colorado River fish recovery project" to allow U.S. Fish and Wildlife Service (FWS) Region 6 to meet its funding commitment to the Upper Colorado River Endangered Fish Recovery Program. This is the level of funding appropriated in fiscal years 2003, 2004, and 2005 for this program. These funds are needed for FWS direct participation in managing and implementing the Upper Colorado Program's actions, monitoring achievement of recovery goals, managing data associated with fish population abundance and sampling, evaluating stocking, and monitoring fish and habitat response to recovery actions.

2. The appropriation of \$437,000 in operation and maintenance funds (Resource Management Appropriation; Fisheries Activity; Hatchery Operations & Maintenance Subactivity, Hatchery Operations Project) to support the ongoing operation of the FWS' Ouray National Fish Hatchery in Utah during fiscal year 2006.

3. An increase of \$211,000 in the "Resource Management Appropriation; Ecological Services Activity; Endangered Species Subactivity; Recovery Element" budget al-



located to the “San Juan River Recovery Implementation Program”. These funds are needed to support the FWS Recovery Program Coordinator and staff who are responsible for program management and support of all Recovery Program activities.

The enactment of Public Law 106–392, as amended by Public Law 107–375, authorized the Federal Government to provide up to \$46 million of cost sharing for these two ongoing recovery programs’ remaining capital construction projects. Raising and stocking of the endangered fish produced at program hatchery facilities, restoring flood plain habitat and fish passage, regulating and supplying instream habitat flows, installing diversion canal screens and controlling nonnative fish populations are key components of the programs’ ongoing capital construction projects. Subsection 3(c) of Public Law 106–392 authorizes the Secretary of the Interior to accept up to \$17 million of contributed funds from Colorado, Wyoming, Utah and New Mexico, and to expend such contributed funds as if appropriated for these projects; and provides for an additional \$17 million to be contributed from revenues derived from the sale of Colorado River Storage Project (CRSP) hydroelectric power. This substantial non-federal cost-sharing funding demonstrates the strong commitment and effective partnerships embodied in both of these successful programs. The requested federal appropriations are critically important to these efforts moving forward.

The support of your Subcommittee in past years is greatly appreciated—and has been a major factor in the success of these multi-state, multi-agency programs as they have progressed forward towards delisting the endangered fish species in the Upper Colorado and San Juan River Basins while necessary water use and development activities are occurring. I request the Subcommittee’s assistance to ensure that the FWS is provided with adequate funding for these vitally important programs.

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PREPARED STATEMENT OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS

THE ENVIRONMENTAL PROTECTION AGENCY

The American Society of Civil Engineers (ASCE)<sup>1</sup> requests an annual appropriation of \$1.5 billion from the federal general fund for the Clean Water State Revolving Loan Fund (SRF) program and \$1 billion for the Safe Drinking Water SRF. The nation’s wastewater treatment infrastructure and drinking water systems received a grade of D—from ASCE on our *2005 Report Card for America’s Infrastructure* released on March 9, 2005.

The Federal Government has directly invested more than \$72 billion in the construction of publicly owned sewage treatment works (POTWs) and their related facilities since passage of the Clean Water Act in 1972. Nevertheless, the physical condition of many of the nation’s 16,000 wastewater treatment systems is poor due to a lack of investment in plant, equipment, and other capital improvements over the years.

Numerous wastewater systems have reached the end of their useful design life. Older systems are plagued by chronic overflows during major rain storms and heavy snowmelt and, intentionally or not, are bringing about the discharge of raw sewage into U.S. surface waters. The U.S. Environmental Protection Agency (EPA) estimated in August 2004 that the volume of combined sewer overflows (CSOs) discharged nationwide is 850 billion gallons a year. Sanitary sewer overflows (SSOs), caused by blocked or broken pipes, trigger the release of as much as 10 billion gallons of raw sewage yearly, according to the EPA.

Federal funding under the Clean Water Act State Revolving Loan Fund (SRF) program has remained flat for the last decade. With one exception, Congress appropriated between \$1.2 billion and \$1.35 billion from 1995 to 2004.<sup>2</sup> But in fiscal year 2005 Congress cut wastewater SRF funding for the first time in 8 years, reducing the total investment to \$1.1 billion. The Bush administration has proposed further cuts for fiscal year 2006, with a budget submittal calling for an appropriation of only \$730 million, a reduction of 33 percent from the fiscal year 2005 enacted level.

Federal assistance has not kept pace with the needs. Yet virtually every authority agrees that funding needs remain very high: the United States must invest an additional \$181 billion for all types of sewage treatment projects eligible for funding

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<sup>1</sup> ASCE was founded in 1852 and is the country’s oldest national civil engineering organization. It represents 137,000 civil engineers in private practice, government, industry and academia who are dedicated to the advancement of the science and profession of civil engineering. ASCE is a non-profit educational and professional society organized under Part 1.501(c)(3) of the Internal Revenue Code.

<sup>2</sup> The appropriation for state SRF programs was reduced to \$625 million in fiscal year 1997.

under the Act, according to the most recent Needs Survey estimate by the EPA and the states, completed in August 2003.

In September 2002, EPA released a detailed Gap Analysis, which assessed the difference between current spending for wastewater infrastructure and total funding needs. The EPA Gap Analysis estimated that, over the next two decades, the United States needs to spend nearly \$390 billion to replace existing wastewater infrastructure systems and to build new ones. (The total includes money for some projects not currently eligible for federal funds, such as system replacement, which are not reflected in the EPA-state Needs Survey).

According to the Gap Analysis, if there is no increase in investment, there will be about a \$6 billion gap between current annual capital expenditures for wastewater treatment (\$13 billion annually) and projected spending needs. The study also estimated that, if wastewater spending increases by only 3 percent a year, the gap would shrink by nearly 90 percent (to about \$1 billion annually).

The Congressional Budget Office (CBO) released its own gap analysis in 2002 in which it determined that the gap for wastewater ranges, depending on various financial and accounting variables, from \$23 billion to \$37 billion annually.<sup>3</sup>

—We support annual appropriations of \$1.5 billion from the federal general fund for the Clean Water State Revolving Loan Fund (SRF) program.

—In addition, we support the establishment of a federal capital budget to create a mechanism to help reduce the constant conflict between short-term and long-term needs. The current federal budget process does not differentiate between expenditures for current consumption and long-term investment. This causes major inefficiencies in the planning, design and construction process for long-term investments. A capital budget system would help increase public awareness of the problems and needs facing this country's physical infrastructure and help Congress focus on programs devoted to long-term growth and productivity.

In addition, the nation's 54,000 drinking water systems face staggering public investment needs over the next 20 years. Although America spends billions on infrastructure each year, drinking water faces an annual shortfall of at least \$11 billion to replace aging facilities that are near the end of their useful life and to comply with existing and future federal water regulations. The shortfall does not account for any growth in the demand for drinking water over the next 20 years.

In 2001, the EPA released a national survey of drinking water infrastructure needs. The survey results concluded that approximately \$151 billion would be needed over 20 years to repair, replace, and upgrade the nation's 55,000 community drinking water systems to protect public health.

A year later, the agency published *The Clean Water and Drinking Water Infrastructure Gap Analysis*, which identified potential funding gaps between projected needs and spending from 2000 through 2019. This analysis estimated a potential 20-year funding gap for drinking water capital, and operations and maintenance, ranging from \$45 billion to \$263 billion, depending on spending levels. Capital needs alone were pegged at \$161 billion, a \$10 billion increase from the 2001 estimate.<sup>4</sup>

The CBO concluded in 2003 that "current funding from all levels of government and current revenues generated from ratepayers will not be sufficient to meet the nation's future demand for water infrastructure." The CBO estimated the nation's needs for drinking water investments at between \$10 billion and \$20 billion over the next 20 years.<sup>5</sup>

Federal assistance has not kept pace with demand. Since fiscal year 1997, Congress has appropriated only between \$700 million and \$850 million annually for the Safe Drinking Water Act State Revolving Loan Fund (SRF) program, enacted in 1987. The enacted funding level for fiscal year 2005 was \$850 million, less than 10 percent of the total national requirements. The Bush Administration has proposed an appropriation of \$850 million for fiscal year 2006.

—ASCE supports a minimum annual appropriation of \$1 billion from the federal general fund for the Safe Drinking Water State Revolving Loan Fund (SRF) program.

—ASCE supports the establishment of a federal capital budget to create a mechanism to help reduce the constant conflict between short-term and long-term needs. The current federal budget process does not differentiate between ex-

<sup>3</sup>None of the estimates cited includes the costs of operation and maintenance (O&M), costs that are borne entirely by the local utilities and are not eligible for federal funding. The 2002 Gap Analysis, for example, put the total O&M costs at \$161 billion for the 20-year study period.

<sup>4</sup>Operation and maintenance (O&M) costs are paid for by the local water utilities, not the federal government.

<sup>5</sup>The CBO approximation does not include the \$178 billion to \$331 billion in anticipated pipe replacement costs over the same 20-year period.

penditures for current consumption and long-term investment. This causes major inefficiencies in the planning, design and construction process for long-term investments.

#### THE UNITED STATES GEOLOGICAL SURVEY

ASCE requests that Congress increase the fiscal year 2006 budget of the U.S. Geological Survey to \$1 billion, a slight increase from the \$933 million proposed by the president.

The USGS plays a critical role in protecting the public from natural hazards such as floods and earthquakes, in assessing water quality, in providing emergency responders with geospatial data to improve homeland security, in analyzing the strategic and economic implications of mineral supply and demand, and in providing the science needed to manage our natural resources and combat invasive species that can threaten agriculture and public health. The USGS is working in every state and has nearly 400 offices across the country. To aid in its interdisciplinary investigations, the USGS works with more than 2,000 federal, state, local, tribal and private organizations.

During the past 10 years, total federal spending for non-defense research and development has risen by 64 percent from \$45 billion to \$74 billion in constant dollars. By contrast, funding for the USGS has been nearly flat. Even this flat funding for the USGS reflects congressional restoration of proposed budget cuts.

The USGS plays a lead role in reducing the impacts of natural hazards. It operates seismic networks and conducts seismic hazard analyses that are used to formulate earthquake probabilities and to establish building codes across the nation. The USGS monitors volcanoes and provides warnings about impending eruptions. It operates a stream gage system that enables the National Weather Service to issue flood warnings.

The USGS also plays a vital role in bioinformatics and managing natural resources that are essential to our economy, security, and environment. The USGS provides knowledge and data that support water, energy and mineral resource management as well as wildlife and ecosystem management. The USGS provides science needed to combat invasive species and wildlife diseases that can cause billions of dollars in agricultural losses and threaten public health.

ASCE recommends that Congress increase the budget of the U.S. Geological Survey to \$1 billion in fiscal year 2006, an increase of 7.1 percent above the fiscal year 2005 enacted level. The increase would enable the USGS to restore the science cuts proposed in the budget request, accelerate the timetable for deployment of critical projects (e.g., Advanced National Seismic System and the National Map), and launch new science initiatives that would begin to reverse the cumulative effects of the long-term funding shortfall.

The fiscal year 2006 budget request would cut funding for the USGS by \$1.9 million or 0.2 percent to \$933.5 million. The budget request would offset \$36.7 million of cuts in existing program activities with \$33.4 million in new and expanded program funding.

In October 2004, the president signed Public Law 108-360, which reauthorized the National Earthquake Hazards Reduction Program (NEHRP) for 5 years. As the representatives of the profession most responsible for mitigating the effects of earthquakes, ASCE knows the benefits this program holds for the nation. For the past 25 years NEHRP has provided the resources and leadership that have led to significant advances in understanding the risk earthquakes pose and the best ways to counter them. The reauthorization represents an opportunity to make greater improvements in the nation's efforts to mitigate the effects of earthquakes. ASCE acknowledges the President's request of \$51.3 million for NEHRP functions at USGS, an increase of \$4.4 million. To realize the potential, however, in lives saved and property damage minimized, more is needed.

ASCE requests that funding at the authorized level of \$84.4 million be appropriated for the NEHRP functions at the USGS.

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#### PREPARED STATEMENT OF THE USGS COALITION

##### SUMMARY

The USGS Coalition urges Congress to increase the budget of the U.S. Geological Survey to \$1 billion in fiscal year 2006.

The USGS plays a crucial role in protecting the public from natural hazards such as floods and earthquakes, assessing water quality, providing emergency responders with geospatial data to improve homeland security, analyzing the strategic and eco-

conomic implications of mineral supply and demand, and providing the science needed to manage our natural resources and combat invasive species that can threaten agriculture and public health. The USGS is working in every state and has nearly 400 offices across the country. To aid in its interdisciplinary investigations, the USGS works with over 2,000 federal, state, local, tribal, and private organizations.

The USGS Coalition is an alliance of nearly 70 organizations united by a commitment to the continued vitality of the unique combination of biological, geographical, geological, and hydrological programs of the United States Geological Survey. The USGS Coalition supports increased federal investment in USGS programs that underpin responsible natural resource stewardship, improve resilience to natural and human-induced hazards, and contribute to the long-term health, security and prosperity of the nation.

#### FUNDING SHORTFALL

During the past 10 years, total federal spending for non-defense research and development has risen by 64 percent from \$45 billion to \$74 billion in constant dollars. By contrast, funding for the USGS has been nearly flat, as shown in the accompanying chart (Figure 1). Even this flat funding for the USGS reflects congressional restoration of proposed budget cuts.

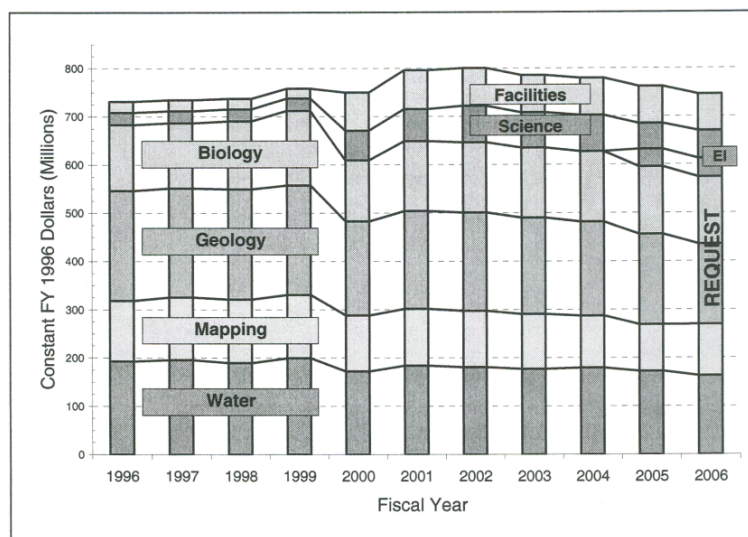


Figure 1. USGS funding in constant dollars, FY 1996 – FY 2006. EI represents the Enterprise Information account established in the FY 2005 USGS budget request. Source: USGS Budget Office.

The need for USGS science in support of decisionmaking has never been greater. During the past year, natural hazards have adversely affected many communities across the country, including landslides in California, hurricanes in Florida, as well as droughts, floods, and forest fires in many parts of the country. In addition, the recent activity at Mount St. Helens volcano deserves close monitoring for any potential danger its continued eruption may pose to communities, air quality and air traffic. After the devastating earthquake and tsunami in the Indian Ocean, people around the globe have a greater appreciation of the need to improve environmental monitoring, forecasting, and warning systems that can prevent natural hazards from becoming natural disasters.

The USGS plays a lead role in reducing the impacts of natural hazards. It operates seismic networks and conducts seismic hazard analyses that are used to formulate earthquake probabilities and to establish building codes across the nation. The USGS monitors volcanoes and provides warnings about impending eruptions. It operates a stream gage system that enables the National Weather Service to issue flood warnings.

Equally as important as natural hazards, the USGS plays a vital role in bioinformatics and managing natural resources that are essential to our economy,

security, and environment. The USGS provides knowledge and data that support water, energy and mineral resource management as well as wildlife and ecosystem management. The USGS provides science needed to combat invasive species (e.g., snakehead fish, zebra mussels and tamarisk) and wildlife diseases (e.g., Chronic Wasting Disease) that can cause billions of dollars in agricultural losses and threaten public health.

Greater investment in the USGS is required to meet the tremendous needs of the future. That investment should be used to strengthen USGS partnerships, improve monitoring networks, produce high-quality digital geospatial data and deliver the best possible science to address societal problems and inform decisionmakers.

The USGS Coalition is grateful to Congress for its leadership in restoring past budget cuts and strengthening the U.S. Geological Survey. The House Appropriations Committee has expressed the importance of funding USGS science programs in the base budget. Likewise, the Senate Appropriations Committee report accompanying last year's spending bill says, "The strength of the Survey's existing efforts in many program areas is deserving of additional support. The Committee urges that future budget requests place a stronger emphasis on the Survey's core programs, which have proven value and strong public support."

#### USGS BUDGET REQUEST

The USGS Coalition urges Congress to increase the budget of the U.S. Geological Survey to \$1 billion in fiscal year 2006, an increase of 7.1 percent above the fiscal year 2005 enacted level, which is necessary for the agency to continue providing critical information to the public and to decisionmakers at all levels of government. The increase recommended by the USGS Coalition would enable the USGS to restore the science cuts proposed in the budget request, accelerate the timetable for deployment of critical projects (e.g., Advanced National Seismic System and the National Map), and launch new science initiatives that would begin to reverse the cumulative effects of the long-term funding short fall discussed above (Figure 1).

The fiscal year 2006 budget request would cut funding for the USGS by \$1.9 million or 0.2 percent to \$933.5 million. The budget request would offset \$36.7 million of cuts in existing program activities with \$33.4 million in new and expanded program funding. Two large program cuts are of special concern to the USGS Coalition. The budget request would cut \$28.7 million from the Mineral Resources program, a 53 percent decrease in funding that would decimate the program. The USGS budget request would also eliminate the entire \$6.4 million budget for the Water Resources Research Institutes, which are located in all 50 states.

The USGS Mineral Resources program is an essential source of objective guidance and unbiased research on our mineral resources. This guidance and research is important to reduce the environmental impacts of mining and to maintain the growing value of processed materials from mineral resources that accounted for \$418 billion in the U.S. economy in 2004, an increase of 13 percent over 2003. The proposed cuts in the Minerals program would also terminate multidisciplinary research that has important implications for public health and environmental protection, such as studies on mercury, arsenic and other inorganic toxins.

The Water Resources Research Institutes have been successful in developing cooperative programs that leverage federal investments with funds from other sources. Last year, the House Appropriations Subcommittee on Interior and Related Agencies said, "The Administration has placed a high priority on cooperative programs that leverage funds from State and local governments as well as private entities. The Committee believes that Bureaus that are successful in implementing these policies should be rewarded and not penalized."

The proposed budget cuts would adversely affect the ability of the USGS to achieve its mission. We encourage Congress to restore these cuts, but this funding should not come at the expense of other high priority programs elsewhere in the USGS budget.

The USGS budget request would add \$33.4 million in new and expanded program funding, including \$5.4 million for facilities and operations to provide more robust detection and notification of earthquakes that could generate a dangerous tsunami. The USGS effort will be conducted in conjunction with NOAA's effort to enhance and expand the tsunami warning system to detect any tsunami that might strike anywhere along the U.S. coastal region. The budget request would also provide an increase of \$19.5 million for land remote sensing activities that support a broad array of economic, agricultural and environmental issues. This funding would allow the USGS to continue operation of the damaged Landsat 7 satellite and work with NASA and NOAA to begin building a ground-based system for a Landsat follow-on mission. The USGS budget request would provide small increases to improve vol-

canic monitoring, expand water availability pilot studies to assess ground-water depletion in the western United States, strengthen ecosystem studies in Puget Sound, and address a wide range of other issues. These initiatives deserve the support of Congress.

The USGS budget request contains \$17.2 million to provide full funding for increases in “fixed costs,” such as salaries and rent. In past years, increases in fixed costs were partially “absorbed” by individual programs. Cumulatively, this practice has had a disproportionate impact on core USGS programs in biology, geology, hydrology, and mapping, which cannot absorb cuts without affecting scientific research and monitoring activities. Without full funding of fixed cost increases, the USGS may be forced to curtail ongoing activities, hindering or preventing the delivery of data needed by natural resource managers and emergency planners. This would increase our vulnerability to natural disasters and increase the costs of recovery.

In addition to restoring the proposed program cuts, we encourage Congress to consider additional increases that would enable the USGS to meet the tremendous need for science in support of public policy decisionmaking. More investment is needed to strengthen USGS partnerships, improve monitoring networks, produce high-quality digital geospatial data and deliver the best possible science to address societally important problems. The USGS has a national mission that encompasses the homes of all citizens through natural hazards monitoring, drinking water studies, biological and geological resource assessments, and other activities.

Thank you for your thoughtful consideration of our request.

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## CULTURAL AGENCIES

### PREPARED STATEMENT OF AMERICANS FOR THE ARTS

Americans for the Arts is pleased to submit written testimony requesting that fiscal year 2006 funding for the National Endowment for the Arts (NEA) be restored to \$170 million, and that funds not be diverted from its Challenge America program. The requested funding would:

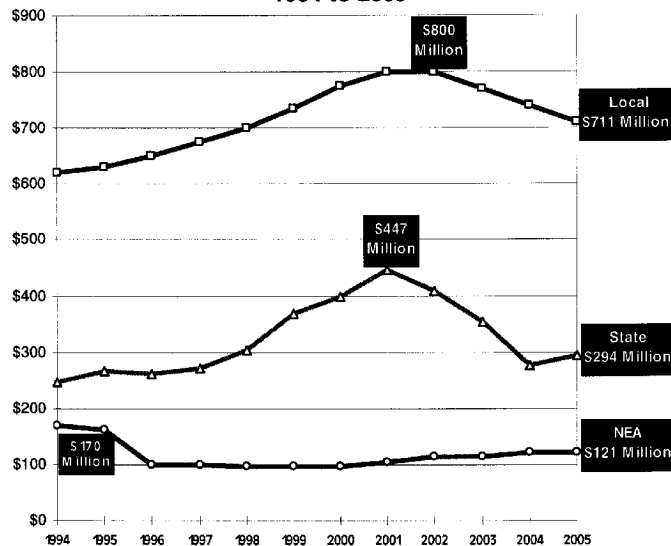
- restore the NEA’s ability to perform its core mission of supporting the creation, preservation and presentation of the arts in America;
- strengthen the Challenge America program, which uses the arts to enhance America’s communities through improved access to the arts for all Americans;
- expand special programs and initiatives; and
- cover increased administrative and grantmaking costs.

We would like to focus on four main areas: the role of local arts agencies; government funding for the arts at the federal, state and local levels; the Challenge America program; and a new updated report, Creative Industries, which documents the reach of the arts industry across the entire nation.

Local arts agencies are Americans for the Arts’ key constituency, and advancing full and affordable access to the arts remains at the heart of our mission. Local arts agencies meet community needs by using the arts to address social, educational, and economic development issues as well as to promote individual creativity and appreciation. They make grants, provide services to artists and arts organizations, and present arts programming to the public. Typically, local arts agencies lead community cultural planning—a community-inclusive process of assessing local cultural needs and mapping a plan of implementation. NEA leadership has played a pivotal role in creating and sustaining local arts agencies, which have grown in number from 500 in 1965, when the NEA was established, to 4,000 today. Three-quarters of all existing local arts agencies are private non-profit organizations, while the remainder are public agencies.

As grantees of the NEA, local arts agencies are stewards of federal funds, which are instrumental in leveraging local government funds and private resources. They are vital to thousands of local arts projects that nurture the artistic excellence of local artists while creating jobs and fostering critical local, state and federal tax revenue. Federal funds are more important than ever: although local arts agency budgets saw steady growth for nearly a decade, changing economic conditions recently sparked declines in funding for these agencies. Unfortunately, however, the NEA has not recovered from the cuts of mid-1990’s, when it lost 40 percent of its budget. The full picture of federal, state and local funding is illustrated in the following chart:

**Government Support for the Arts  
Federal, State and Local  
1994 to 2005**



- In 2003, **local** government arts funding dropped for the first time in 15 years after reaching an all-time high of \$800 million in 2002. The sluggish economy and post-9/11 drops in tourism reduced general fund appropriations as well as income from local option taxes (e.g., hotel or sales taxes dedicated to the arts). In 2005, local government arts funding will drop an estimated four percent to \$711 million.
- Following record growth in **state** arts funding in the late 1990's—reaching a high of \$446.8 million in 2001—legislative arts appropriations, which track closely with the economy, dropped to \$294 million in 2005 (34 percent decrease from 2001 to 2005).
- After reaching a high of \$176 million in 1992, the **NEA** budget was cut 40 percent in 1996 and remained relatively unchanged until 2001. The 2005 budget is \$121.26 million, a fractional increase from 2004 (\$120.97 million).

Source: Americans for the Arts. State arts funding data provided by National Assembly of State Arts Agencies. 2005.  
\*Estimated

**LOCAL ARTS AGENCIES AND CHALLENGE AMERICA**

NEA is making a determined effort to bring the arts to all Americans through the *Challenge America* program. The program's broad-based goals are to connect families and communities more closely to the arts, to provide access to the arts in underserved areas, and to reach communities not previously served by the NEA.

Since its initial funding, *Challenge America* has reached hundreds of rural communities and inner-city neighborhoods with limited arts resources. Using these grants, LAA's have partnered with other organizations to tackle projects from developing economic cultural tourism plans and restoring historic structures to addressing educational needs. Thus, these grants help build local, sustainable arts infrastructure. In large part through *Challenge America*, NEA directly funded projects in 99 percent of all Congressional districts in fiscal year 2004, up from 75 percent previously.

Examples of recent *Challenge America* grants include:

*Arts and Culture Commission of Contra Costa County, Martinez, CA*

To support developing and maintaining various communications tools that promote the arts and to enhance outreach to underserved communities in the county.

*City of Delta, Delta, CO*

To support the Council Tree Pow Wow & Cultural Festival, presenting American Indian dancing, singing, drumming, and visual arts by local artisans. This is a joint project of the three Ute tribes, who had not worked together on any project since leaving their historic Delta homeland over 100 years ago.

*Billings Cultural Partners, Billings, MT*

To support the creation and implementation of Westfest, positioning Billings as a cultural destination that will couple cultural events and attractions with services. Nineteen organizations are participating in this collaborative effort, including Yellowstone County, the Downtown Billings Association, and the city's arts and cultural institutions.

*Salt Lake Arts Council Foundation, Salt Lake City, UT*

To support Living Traditions: A Celebration of Salt Lake's Folk and Ethnic Arts. The three-day festival is expected to have an audience of up to 40,000.

Unfortunately, the President's budget request for NEA is for level funding. Furthermore, it would cut *Challenge America* by about \$6 million, while expanding the new American Masterpieces initiative. We appeal to the Subcommittee to preserve existing programs of proven effectiveness before expanding new initiatives.

## CREATIVE INDUSTRIES AND JOBS ARE IN EVERY STATE AND CONGRESSIONAL DISTRICT

Finally, we wish to bring to the Subcommittee's attention a new report conducted by Americans for the Arts, "Creative Industries", which provides a new, research-based approach to understanding the scope of the arts, and demonstrates the need to cultivate our nation's innovative workforce.

The creative industries are composed of businesses that are involved with the creation and distribution of the arts, ranging from nonprofit museums, symphonies, and theaters to for-profit film, architecture, and advertising companies. When the non-profit and for-profit sectors are studied together, a clear picture emerges of the contributions of the creative industries to local economies. Indeed, they form a bridge to all corners of the new "information economy", the fastest growing sector of the U.S. economy.

Based on data provided by Dun & Bradstreet, the report shows that as of 2005, there are 578,487 arts businesses in the United States, employing 2,965,893 people. These figures represent 4.4 percent of all businesses and 2.2 percent of U.S. employment.

Using sophisticated mapping technology, the report reveals the extraordinary presence of the creative industries, showing that they are a significant portion of every congressional district's economic output.

By way of illustration, in the states just of Members of this Subcommittee alone, there are 155,778 businesses and 768,157 jobs in the Creative Industries. Here are the details:

	Employees	Businesses
Alaska .....	5,368	1,368
California .....	493,650	92,341
Colorado .....	55,077	13,051
Idaho .....	10,583	2,867
Maryland .....	46,536	10,742
Mississippi .....	11,708	2,778
Montana .....	8,752	2,170
Nevada .....	20,594	4,609
New Hampshire .....	10,599	3,166
New Mexico .....	15,175	4,129
North Dakota .....	5,430	1,085
Utah .....	23,290	5,045
Vermont .....	8,679	1,849
West Virginia .....	8,432	1,682
Wisconsin .....	44,284	8,896

Public funding for the arts and for arts education helps to create and sustain an environment in which these businesses flourish.

## CONCLUSION

Local arts agencies are key players in improving community life, from offering in-school and after-school educational programs for children to working with local law



enforcement to reduce crime. Similarly, local arts agencies are strengthening our communities' economies every day by increasing tourism, urban renewal, and attracting new businesses, all while contributing vital dollars in local, state and federal tax revenue. We urge this subcommittee to make a commitment to supporting education and community building projects through local arts agencies by restoring funding for the National Endowment for the Arts to \$170 million, and by ensuring that funding is not diverted from Challenge America.

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PREPARED STATEMENT OF THE AMERICAN SYMPHONY ORCHESTRA LEAGUE

On behalf of America's orchestras, the American Symphony Orchestra League urges the subcommittee to approve fiscal year 2006 funding for the National Endowment for the Arts (NEA) at a level of \$170 million. The NEA is still recovering from deep cuts to its budget in the mid-nineties. The current level of funding for the NEA, \$121.3 million, is well below its peak funding of \$176 million in 1992. An increased appropriation would expand the NEA's ability to serve the American public through: grants supporting and promoting the creation, preservation, and presentation of the arts in America; support for the Challenge America initiative to improve access to the arts for all Americans; and funding of the national initiative, American Masterpieces: Three Centuries of Artistic Genius.

The American Symphony Orchestra League is the national service organization for more than 900 symphony, chamber, youth, and collegiate orchestras, with budgets ranging from less than \$25,000 to more than \$25 million. Together with the NEA, we share a common goal of strengthening orchestras as organizations and promoting the value of the music they perform.

The resolve of American orchestras to reach all segments of their communities is strong. Composer residencies at orchestras are on the rise. The number of education staffers at American orchestras has grown at least tenfold in the last 25 years. Orchestras are working to increase the representation of their diverse communities both on stage and in the audience.

All of these efforts come at a cost that cannot be covered by ticket sales alone. The grants awarded to orchestras by the NEA, and support provided to orchestras through NEA funds administered by state arts agencies, provide critical support for projects that increase access to music in communities nationwide. NEA funding both directly supports local projects and also spurs critical giving from other sources like private foundations, corporations, and individual contributors. Given the current economic strain on all funding sources, the NEA's commitment is especially meaningful.

A few quick facts about the state of American orchestras:

- Supported by a network of musicians, volunteers, administrators, and community leaders, America's adult, youth, and college orchestras total more than 1,800 and exist in every state and territory, in cities and rural areas alike. They engage more than 76,000 instrumentalists, employ (with and without pay) more than 11,000 administrative staff, and attract more than 250,000 volunteers and trustees.
- American orchestras have never been in greater demand. In the course of a season, orchestras perform nearly 30,000 concerts to total audiences nearing 30 million. Current attendance at concerts is higher than a decade ago.
- Orchestras are amazingly resilient, though their economic structure is delicately balanced. They are strongly supported by their communities and musicians. During the last recessionary period, eight orchestras ceased operations. Today, in each of those eight communities, a new or restructured orchestra of comparable scale has emerged.

NEA GRANTS SUPPORT THE CREATION, PRESENTATION, AND PRESERVATION OF THE ARTS

The NEA is a critical component in the network of public, private, corporate, and philanthropic support that makes the work of America's orchestras possible. Orchestras and the communities they serve benefit from NEA support through direct grants to organizations, support for national initiatives, and distribution of NEA funds through state arts agencies. In the most recently completed grant year, fiscal year 2004, the NEA's Grants to Organizations included 97 grants to orchestras and the communities they serve, supporting arts education for children and adults, expanding public access to performances, preserving great classical works, and fostering the creative endeavors of contemporary classical musicians, composers, and conductors.

- An NEA Leadership Initiative award to Meet The Composer supports the Music Alive residency program, which connects composers with a wide range of orches-

tras and local communities, and draws on the creative strengths of composers as artistic collaborators, teachers, and new-music advocates. Composers guide their host orchestras' presentation of new music and assist in the performance of their own works, and the community in education and outreach activities. NEA support provides direct resources for the *Music Alive* program, serves as a catalyst for further funding, and elevates the visibility of the program as a potential national model.

—A grant to the Canton Symphony Orchestra supports their Community Heritage Celebration, in honor of Canton's Bicentennial. A new work by composer Eric Gould, based on the history and diversity of the city's neighborhoods, will be created with the involvement of school students and other community members and presented to the public free of charge. The performance, scheduled for April 30, features students from Canton City Middle Schools.

—NEA funding for the Fairbanks Symphony supported a tour of 35–40 core members of the orchestra. The tour brought orchestral music to underserved areas of Alaska, including Salcha, Glennallen, Valdez, Ft. Greeley Army Base and Eielson Air Force Base. The orchestra collaborated with local arts organizations, military base command, and area schools to present workshops and performances at elementary schools and in community concerts.

For each project funded by the NEA, there are many other worthy initiatives that go unrecognized by federal support due to lack of adequate funding. We ask you to expand the NEA's ability to perform its core mission through an increase to support and promote the creation, preservation, and presentation of the arts in America.

#### CHALLENGE AMERICA: REACHING EVERY COMMUNITY

For any individual, participating in the arts can be a transformative event—provoking powerful emotions, illuminating a new perspective on the ordinary, and elevating the senses. Likewise, the arts can transform communities—instilling civic pride, improving education, and spurring economic growth. To be truly national in its scope, the NEA recognizes that every American should have access to the transformative power of an arts-rich community. In fiscal year 2004, the NEA made 54 awards to orchestras in areas previously underserved by the NEA, through the initiative *Challenge America: Reaching Every Community*.

—The Wheeling Symphony Orchestra received an NEA grant to provide an artist-in-residence program for at-risk youth called "Voices and Music." The program is led by artist Scott Reed, a professional musician and educator, reaching children in grades K–8 from Wheeling's economically-challenged urban core. "Voices and Music" aims to build self-confidence through participation in the arts. A school administrator described the impact of the program on an extremely introverted young student, "After a semester with his own recorder, he was offering performances to anyone who would listen." The orchestra is committed to providing the program year after year, offering local children the opportunity to grow in their skills and ensuring deep partnerships within the community.

—NEA funding for the Chattanooga Symphony and Opera supported a project inviting high school students to create a musical and visual response to Mussorgsky's *Pictures at an Exhibition*. The project met the goal of reaching new audiences by both involving the student-artists and attracting an audience of their curious peers, eager to see the resulting multi-media performance.

—In fiscal year 2004, the Williamsport Symphony Orchestra received its first NEA grant, funding a concert performance in a neighboring community. In addition to the anticipated engagement with new audiences, the grant has substantially elevated public recognition of the orchestra. The NEA grant was announced as the orchestra worked to complete its endowment campaign. The orchestra credits its ultimate fundraising success to the power of the NEA grant to leverage additional financial contributions from private individuals who hold the orchestra in new esteem.

All three of the grants to orchestras described above exhibit the hallmarks of the Challenge America program: reaching new audiences, attracting additional financial support, and creating meaningful partnerships with local community organizations.

#### AMERICAN MASTERPIECES: THREE CENTURIES OF ARTISTIC GENIUS

The NEA plans to further strengthen public access to excellence in the arts through a program titled *American Masterpieces: Three Centuries of Artistic Genius*. This multi-year program will direct new resources in three areas:

—Touring programs by major and mid-sized arts organizations, presenting acknowledged masterpieces to new audiences.

—Local presentations of American art forms, including works of American music.

—Arts education efforts that will combine in-school programs with the touring and local presentation of artistic masterpieces.

Currently in its first year, the American Masterpieces project supports tours of visual arts exhibitions to underserved communities. In fiscal year 2006, American Masterpieces plans to expand touring programs to include dance, chorus, and musical theater, and will focus on providing substantial educational opportunities for students and teachers. Orchestras are poised to participate in the American Masterpieces project, and look forward to this opportunity to increase public access and appreciation for America's treasured composers and newest artistic voices. While the NEA is committed to expanding public access to the arts, it is steadfast in its support for a quality artistic product. Just as standards of artistic excellence are the primary criterion for NEA grant decisions, artistic excellence continues to guide the day-to-day operations and missions of American orchestras.

The Endowment's unique ability to provide a national forum to promote excellence, both through high standards for artistic products and the highest expectation of accessibility, remains one of the strongest arguments for a federal role in support of the arts. We ask you to support creativity and access to the arts by approving an increase in funding for the National Endowment for the Arts.

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#### PREPARED STATEMENT OF THE NATIONAL COALITION FOR HISTORY

Mr. Chairman and Members of the Subcommittee: On behalf of the seventy-plus members of the National Coalition for History—a confederation of history and archival organizations that care deeply about the programs and activities of the National Endowment for the Humanities (NEH)—we are pleased to submit the following brief testimony for the record regarding the proposed fiscal year 2006 budget for the NEH.

While we understand that these are fiscally challenging times, we respectfully urge the committee to support a funding level of \$153.1 million for the National Endowment for the Humanities in fiscal year 2006. This represents only a modest increase of \$15 million above the fiscal year 2005 level appropriated by Congress and the President's fiscal year 2006 request. We believe that this funding at this level will strengthen core programs that have experienced cuts in past years. Such a funding level also will further the reach of the NEH's important history-based initiative that is of particular importance to the history and archive communities—"We the People."

It is our belief that the flat-funding level recommendations of \$138.1 million for the NEH as proposed by the President will not allow the agency to maintain the current reach of its programs. Because of factors such as inflation and mandated administrative costs, "level funding," in reality, translates into a cut for the agency. Though we recognize that Congress faces unusually difficult fiscal choices this year, the programs and activities of the NEH are of such importance to our nation—especially to our young people—that we urge you to support a modest funding increase of \$15 million.

History is at the core of many of the NEH's important programs. Recently, NEH Chairman Bruce Cole emphasized this when he spoke of the need for a national investment in teaching and learning in the humanities. He stated, "Knowledge of our history is not a luxury, it's a necessity; Democracy is not self-sustaining; it needs to be learned and passed down from generation to generation." This is the heart of the mission of the NEH, and it is as important today as ever. As the American nation struggles abroad in an effort to bring a greater appreciation to the principles of democracy, programs like the "We the People" initiative do much to education our nation's youth of the importance of and understanding of American history, culture, and civics. The program deserves to be supported and expanded.

While we remain strongly supportive of the "We the People" program that was launched by President Bush several years back in an effort to counter the growing trend of ignorance of American history by our populace, we note that the White House target of spending \$100 million for this important program over a three year period has not been realized. Nevertheless, some 300 projects have received funding through the program, and largely, they have been effective.

But there are also other equally important history, research, and archive-related programs that also deserve funding and support. This year, since the Administration has recommended zero funding for the National Historical Publications and Records Commission (the grant-making arm of the National Archives and Records Administration that supports the preservation and publication of our documentary heritage) increasing NEH support for scholarly edition projects that are currently being funded out of the Research division are all that more important.

Mr. Chairman, there also is a critical need to restore and broaden the reach of the NEH core programs so that not just American history receives emphasis but world and comparative history as well. That goal can partially be met by restoring funding to NEH core programs including scholarly research, preservation access, education, challenge grants, public programs and for the all important activities that emerge out of the federal-state partnership where as our colleagues affiliated with the 56 state humanities councils been doing such good work with very limited funding from the NEH.

We appreciate the past support of this committee and its members have provided on behalf of our nation's historical, cultural and intellectual heritage that are realized through the programmatic activities of the National Endowment for the Humanities.

Thank You.

#### PREPARED STATEMENT OF THE NATIONAL HUMANITIES ALLIANCE

Mr. Chairman and Members of the Subcommittee: On behalf of the National Humanities Alliance and its members, we are pleased to submit written testimony for the record in support of the National Endowment for the Humanities (NEH). The National Humanities Alliance respectfully urges Congress to support funding of \$153.1 million for fiscal year 2006 for the National Endowment for the Humanities, an increase of \$15 million above the fiscal year 2005 level and the President's request. This funding will strengthen the NEH core programs and further the reach of the NEH's highly successful *We the People* initiative.

The National Humanities Alliance is a coalition of more than 80 national, state, and local nonprofit organizations, including scholarly and professional associations; higher education associations; organizations of museums, libraries, historical societies, and state humanities councils; university-based and independent humanities research centers. The Alliance was founded in 1981 to advance the cause of the humanities by promoting the common interests of its members with regard to national policy and legislation affecting scholarly research and public understanding of the humanities.

#### FUNDING BACKGROUND

While we are pleased that the President's budget request continues funding for the NEH *We the People* program, we are disappointed that the administration has recommended flat funding for this initiative and for the NEH core programs at the fiscal year 2005 level of \$138.1 million. Level funding will not allow the agency to maintain the current reach of its programs.

We recognize that Congress faces unusually difficult choices this year, and are asking the committee to recommend a modest funding increase for the agency of \$15 million. While this sum does not nearly meet the many needs for which the agency was created, it would make an impact, and help ensure the long-term effectiveness of this agency that is critical to the civic life of our democracy. We are especially concerned about the long-term impact of inflation and other pressures on the agency's ability to carry out the mandate for which it was established. The funding table below illustrates the decline, both in nominal and constant dollars, in the agency's spending levels.

#### NEH APPROPRIATIONS, FISCAL YEARS 1970–2005

[In millions of dollars]

	Fiscal year								
	1970	1975	1980	1985	1990	1995	2000	2004	2005
Nominal Value .....	8.9	79.1	150.1	139.5	156.9	172.0	115.3	135.3	138.1
Constant Value (2004) .....	43.1	277.9	344.1	244.9	226.8	213.2	126.4	135.3	134.5

Note.—“Nominal” values are the amounts appropriated by Congress. “Constant” values (expressed in 2004 dollars) are adjusted for inflation according to the annual CPI-U data. The estimated inflation rate for 2005 is assumed to be the same as in 2004.

The National Endowment for the Humanities was established forty years ago as an independent grant-making agency of the federal government to support research, education, and public programs in the humanities. As the founding legislation of the NEH says, “Democracy Demands Wisdom.” In a recent public address, NEH Chairman Bruce Cole echoed these statements when he spoke eloquently of the need for a national investment in teaching and learning in the humanities. “Knowledge of

our history is not a luxury, it's a necessity . . . Democracy is not self-sustaining; it needs to be learned and passed down from generation to generation. We have to know our great founding principals, how our institutions came into being, how they work, what our rights and responsibilities are."<sup>1</sup> An appreciation of the relationship of the humanities to democracy was a key factor in the establishment of the NEH forty years ago and remains so today. In 2005, NEH is operating at less than half of its demonstrated capacity of even 30 years ago; yet at no time has the work of NEH been more critical to the survival of our democracy, the global competitiveness of our workforce, and our national security.

There is great need and demand for the leadership and support provided by the NEH. In fiscal year 2004, the NEH reviewed 4,921 grant proposals (requesting a total of \$363.0 million in federal funds). The NEH Council recommended the approval of 1,090 applications. Due to funding constraints, only 22 percent of the requests were funded in the past fiscal year.

#### WE THE PEOPLE

Increased funding for the NEH will go a long way to extend the reach of the NEH *We the People* initiative to advance understanding of American history, culture, and civics. The program was launched by President Bush in response to numerous polls and surveys over the past decade, which indicate that many Americans lack even a basic knowledge about their nation's history. In a White House Rose Garden Ceremony in September 2002, President Bush described the need for the expanded NEH program: "Our Founders believed that the study of history and citizenship should be at the core of every American's education. Yet today, our children have large and disturbing gaps in their knowledge of history . . . Ignorance of American history and civics weakens our sense of citizenship."

The White House initially pledged \$100 million for *We the People* over three years, and we are pleased that it has now waived the three-year limit to allow it to be continuing program. While only now entering its third year of funding, the initiative has already been highly successful. To date, more than 300 projects have received funding through the program, working through each of the core program divisions of the NEH. The initiative consists of projects sponsored directly by NEH, and grants made through the agency's other program divisions. A critical aspect of the *We the People* initiative is that because it works through the NEH core programs, it can broaden the reach of these divisions by freeing funds for other highly-rated projects. More detail on the NEH core programs, and examples of *We the People* projects supported through them, is provided below.

*We the People* has drawn scholars, teachers, filmmakers, museum professionals, librarians, and others engaged in humanities work to develop projects on the most significant events and themes in American history and culture. It has provided significant new resources to each of the state humanities councils, and is truly reaching communities nationwide.

#### NEH CORE PROGRAMS

While the *We the People* special initiative is presently the most visible NEH initiative, the core programs of the Endowment, which have developed over the last four decades, are the backbone of federal involvement in the humanities. Unfortunately, in recent years, funding for the NEH core programs has declined in moderate but real terms. Additional funds are needed to sustain the long-term grant-making ability of the agency in the following areas:

*Research.*—Scholarly research is the engine that provides content and structure for all other humanities activities. Research grants facilitate basic research and original scholarship in all fields of the humanities, including languages, linguistics, literature, history, law, philosophy, archaeology, comparative religion, ethics, and art history. Fellowships and grants awarded by the research division are among the most coveted by American scholars. Projects supported by NEH fellowships and summer stipends for college and university teachers, and independent scholars have, over the years, produced more than 6,000 books including eleven Pulitzer Prize winners. Collaborative Research grants support original scholarship conducted by teams of researchers. Scholarly Editions grants support the preparation of texts and documents that are currently inaccessible or available in inadequate editions. Projects involve significant literary, philosophical, and historical materials and translations.

*Education.*—Education is, of course, at the center of the NEH mission. Education grants strengthen teaching and learning in schools, colleges, and universities

<sup>1</sup> Bruce Cole, National Press Club, November 16, 2004.

through teacher training institutes and seminars, through curriculum development, and through online tools for teachers, parents, and students. A *We the People* initiative managed through this division is the new NEH teacher training/professional development program called "Landmarks of American History," which offers a series of workshops for K-12 and community college teachers at important historical sites across the United States. Upcoming workshop sites for 2005 include the Kituah Cherokee Landmark near Cherokee, North Carolina; Mount Vernon in Arlington, Virginia; the Alamo, in San Antonio, TX; and Civil Rights Landmarks in Birmingham, Montgomery, Selma, and Tuskegee, AL.

*Preservation.*—Through the Preservation and Access Division NEH makes grants to preserve unique historical, cultural and intellectual materials; for collection development and catalogs; and for encyclopedias and other projects. An exciting new project made possible through *We the People* is the National Digital Newspaper Program (NDNP), a multi-year partnership between the NEH and the Library of Congress to convert microfilm of historically significant U.S. newspapers published between 1836 and 1922 into fully searchable digital files. More than 30 million pages of newspapers will be made accessible online to students, teachers, parents, scholars, historians. The Preservation division is also making significant contributions to understanding and preservation of world cultures. In 2003, the NEH announced a special initiative, "Recovering Iraq's Past," to support projects that preserve and document cultural resources in Iraq's archives, libraries and museums. Awards in 2004 included a digital library of cuneiform tablets documenting Mesopotamian civilization from 3300 B.C. to 100 A.D.

*Public Programs.*—It is through NEH-funded public humanities programming that the endowment works most directly with the American public. From traveling exhibits in local museums and libraries to film, television and radio productions, NEH public programs reach literally millions of citizens in communities throughout the U.S. Recent projects include the Emmy-award winning documentary *Benjamin Franklin: The Legacy of Genghis Khan: Courtly Art and Culture in Western Asia*, a traveling museum exhibit which recently won the Alfred Barr Award for Museum Scholarship from the College Art Association; and a series of bilingual reading and discussion programs called Family Portraits, which drew readers to over 150 libraries in eight western states, as well as New York and Florida. "America's Historic Places" is a *We the People* initiative that encourages the use of historic sites to address themes and issues central to our nation's history.

*Federal State Partnership.*—The network of 56 state humanities councils has proven to be very effective in delivering humanities programming to small towns and rural areas that might not otherwise have access to such programs. Funding for *We the People* will continue to provide significant new resources to state humanities councils, in recognition of the unique role councils play in carrying out these programs at the local level. Through this initiative, councils have developed unique teacher workshops, lectures, reading and discussion programs, exhibitions and public meetings that help local citizens appreciate the events, people and institutions that define the history of their communities and nation. For example, in anticipation of the 400th anniversary of Virginia in 2007, the Virginia Foundation for the Humanities has just awarded a consultation and planning grant to the Virginia Council on Indians to help establish a Virginia Indian Heritage Trail and to create a database on publicly-accessible collections and sites where Virginia Indian history and culture are interpreted.

*Challenge Grants.*—Challenge Grants strengthen the institutional base of the humanities by stimulating and matching nonfederal contributions to humanities projects, including such hard-to-fund areas as endowment, renovations, and collections development. First-time recipients of a challenge grant must match every federal dollar with three nonfederal dollars, and recipients of subsequent awards must raise four nonfederal dollars for every dollar.

Most programs of the humanities endowment award matching grants, which entail on offer of NEH funding that is conditioned on an equivalent amount of fund-raising by the recipient. Since the establishment of NEH in 1965 through fiscal year 2004, Endowment matching funds have stimulated \$384 million in third-party donations, and NEH Challenge Grants have leveraged another \$1.46 billion in institutional support. A small investment in the American people through NEH goes a long way.

Thank you for your consideration of our request. We appreciate the support of this committee for our nation's cultural and intellectual resources through the National Endowment for the Humanities.

## DEPARTMENT OF AGRICULTURE

## PREPARED STATEMENT OF THE AMERICAN FOREST AND PAPER ASSOCIATION

The American Forest and Paper Association<sup>1</sup> (AF&PA) supports sustainable forest management on all forest lands. Policies governing our federal forestlands must consist of active management, progress on long-term forest health, and local level decision-making. The following recommendations concern fiscal year 2006 appropriations for the U.S. Forest Service. Restoring the health of our national forests through active management is AF&PA's number one priority for the Forest Service fiscal year 2006 budget.

## ACTIVE MANAGEMENT OF NATIONAL FORESTS

Millions of acres of federal forests across the country are threatened with catastrophic wildfire and insect and disease infestation, posing serious risks to adjacent private forestlands, communities, and wildlife habitat. The President's Healthy Forests Initiative (HFI) and the Healthy Forests Restoration Act (HFRA) of 2003 were tremendous steps forward in addressing this crisis, providing tools to our federal land management agencies to get more accomplished on the ground.

The fiscal year 2006 budget needs to provide resources to our national forests to restore forest health through active management. Forest Service data indicate that annual growth of trees on the national forests currently exceeds annual harvest by five-fold, meaning that overstocked forests are becoming even more overstocked and even more at risk from fires and insect epidemics. The National Forest System budget as a proportion of the total Forest Service budget has shrunk significantly over the last 15 years, limiting the resources that can be devoted to addressing this crisis.

AF&PA supports an increase of \$30 million above the President's request for the National Forest System program, targeted to the Forest Products line item and other budget line items that support forest health and produce fiber.

*Forest Products.*—AF&PA recommends increasing the total volume sold to 3.0 billion board feet, which can be achieved through additional funding and a reduction in unit costs. Timber sales and stewardship projects are important tools to achieve forest health and hazardous fuels reduction objectives, and to retain forest industry infrastructure. AF&PA believes that a reduction in unit costs through the greater use of Healthy Forests Initiative efficiencies is not only possible, but a critical step in actively managing more acres and providing additional timber sale volume.

The need to maintain industry infrastructure (e.g., mills) is a critical component to achieving national forest objectives, with the loss of infrastructure already resulting in direct impact on forest health in many areas. A reliable and consistent supply of national forest timber is critical to the stability of this infrastructure.

AF&PA supports the Forest Service's plan to change the accomplishment metric for the timber sale program from volume offered to volume sold. The Forest Service has indicated that regions will be operating under that metric in fiscal year 2006. This change will help to ensure a useful measure of outputs under the timber sale program and to emphasize accountability within the program.

*Hazardous Fuels Reduction.*—Treating hazardous fuels within the wildland-urban interface and across the landscape is essential to preventing catastrophic wildfires and insect and disease outbreaks and protecting resource values and species habitat. There are significant treatment needs in all areas of the country and in all three condition classes. We urge emphasis of these activities in areas with existing forest industry infrastructure in order to reduce costs. In addition, we encourage greater emphasis on mechanical thinning to reduce hazardous fuels, which provides ecological benefits and the opportunity to capture the economic value of fiber removed.

AF&PA supports the President's proposal to move the funding for the Hazardous Fuels program to the National Forest System. The movement of this budget to NFS would allow better integration of these activities with other vegetation management activities happening on the ground. We encourage continued collaboration between the Forest Service and the State Foresters in accomplishing this work.

*Vegetation and Watershed Management.*—This program directly improves forest health by restoring watersheds, reducing soil erosion, and producing clean air and

<sup>1</sup>AF&PA is the national trade association of the forest, paper and wood products industry. AF&PA represents more than 200 companies and related associations that engage in or represent the manufacture of pulp, paper, paperboard and wood products. The forest products industry accounts for approximately 7 percent of total U.S. manufacturing output, employs 1.3 million people, and ranks among the top ten manufacturing employers in 42 states.

water through such activities as reforestation and timber stand improvement treatments. There is a critical need to address the significant reforestation backlog, which has increased sharply as a result of wildfires.

*Wildlife and Fisheries Habitat Management.*—Managing species' habitat contributes to healthy and diverse populations and ecosystems. The drawdown in the Knutson-Vandenberg (KV) fund to pay for wildfire suppression costs has a major impact on this program. Failure to completely repay the KV Fund diminishes implementation of much-needed wildlife habitat, reforestation, timber stand improvement, and other conservation projects. In some regions, this adversely impacts non-essential KV projects, such as fish and wildlife programs that are already underfunded.

#### RESEARCH TO SUPPORT FOREST HEALTH

Targeted research is needed to support forest health, both through a greater understanding of the status of our nation's forests and through the development of processes that enable economic utilization of fiber removed. Research helps find innovative ways to promote and enhance forest sustainability and provides scientifically sound data that benefits both public and private forests. Forest Service research investments in enhancing forest productivity, addressing the threats of insect and disease, quantifying carbon sequestration, and understanding forest management decisions on wildlife, water quality, biodiversity, landscapes and habitats, all contribute to efforts to achieve and maintain healthy forests.

*Forest Inventory and Analysis (FIA).*—AF&PA supports the President's fiscal year 2006 budget request of \$73.4 million, which represents full funding for the program. The FIA program is the most comprehensive data collection and analysis program to assess the sustainability and health of the nation's forest resources. We believe that, with full funding, the Forest Service has an obligation to achieve its stated goals to cover 100 percent of U.S. forest lands, fully implement the annual inventory, expedite data availability and analysis, improve working relationships with the states, and modernize FIA management systems.

*Forest Products Utilization and Process.*—AF&PA recommends a funding level of \$19.6 million for this program. The Forest Products Lab and experiment stations conduct important research on the efficient and effective use of wood fiber, directly addressing the forest health problem through exploration of small diameter wood use and bioenergy production. Unfortunately, funding for this research has not kept pace with research needs. Support is needed for the core functions of the research stations and for the construction and operation of a Building Durability Test Facility at the Forest Products Lab to address mold and moisture issues. Funding is also needed for the Coalition for Advanced Housing Research for research on damage mitigation from natural disasters like floods, earthquakes and hurricanes.

#### CONCLUSION

AF&PA appreciates the chance to provide the Subcommittee with testimony regarding fiscal year 2006 appropriations for the Forest Service. If implemented, the funding levels proposed for the programs listed above will help promote sustainable management and forest health on our nation's public and private lands.

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#### PREPARED STATEMENT OF THE APPALACHIAN MOUNTAIN CLUB

Mr. Chairman and Honorable Members of the Committee: On behalf of our 90,000 members throughout the northeastern United States, the Appalachian Mountain Club (AMC) appreciates the opportunity to present this testimony in strong support of the highest possible funding levels for conservation programs in the fiscal year 2006 Interior, Environment, and Related Agencies Appropriations bill, and specifically support ten Forest Legacy Program projects at \$29.9 million, and three Land & Water Conservation Fund projects at \$7.55 million, and four Highlands Conservation Act projects totaling \$9.75 million. Within the Forest Legacy Program request, the AMC especially appreciates the opportunity to testify in support of a \$5 million appropriation to the State of Maine from the Forest Legacy Program for the Katahdin Iron Works (KIW) project. As you know, this funding has been proposed in the President's fiscal year 2006 budget, and the KIW project is ranked 4th on the President's Forest Legacy project list.

The AMC is the nation's oldest recreation and conservation organization. Founded in 1876, our mission is to promote the protection, enjoyment, and wise use of the mountains, rivers and trails of the Appalachian region. With 12 chapters and 90,000



members from Maine to Washington, DC, AMC is proud of our long tradition of stewardship and engagement in the outdoors.

The funding proposed for the KIW project will allow the state of Maine to purchase a conservation easement over 37,000 acres of critically located land about nine miles east of Greenville. The property is bisected by the Appalachian Trail and includes land around Gulf Hagas, the Barren/Chairback Mountain Range, a significant stretch of the Class A West Branch of the Pleasant River, and many other important ecological and recreational features. AMC, with assistance from the Trust for Public Land, purchased this property in December 2003 from International Paper. If sold on the open market, the KIW property would have been a prime target for recreational home development, or private “kingdom lots”, that would permanently alter a critical landscape in Maine.

The AMC is extremely pleased to have the opportunity to work closely with local communities in the region, such as Greenville and Brownville, as they plan for continued community vitality and economic diversity. This project has garnered significant local support because it not only protects the spectacular landscape that makes the area so special, but it also creates new recreational opportunities for the public and secures the future of this property as a working forest.

In particular, we are excited that this project will:

- Create a model certified working forest;
- Protect key landscape features such as ridgelines, great ponds, and the headwaters of the Class A West Branch of the Pleasant River;
- Significantly enhance and manage recreational opportunities on land and water;
- Further develop the economic foundations of the neighboring communities;
- Assure public access;
- Create meaningful environmental education opportunities; and
- Help to stabilize the land base in a region experiencing a volatile real estate market.

These goals—providing for conservation, sustainable forestry, and recreation in our North Woods that engages both residents and visitors alike—strike a balance between ecological protection and contribution to the local and regional economy from the land.

The Land for Maine’s Future Board has already approved a grant of \$1 million to go towards this project and expects to allocate additional funds when a new statewide bond is approved. In addition, AMC is undertaking substantial fundraising efforts—with a goal of \$25 million—to support both the easement acquisition as well as ensure long-term stewardship and recreational development on the property.

We appreciate your continued support for common sense, community-based Forest Legacy Program projects, and believe the KIW project is a model for programmatic success. We hope that you will provide \$5 million to ensure the success of this effort in the fiscal year 2006 Interior appropriations bill.

On funding for other projects across the region, and on overall funding levels for critical land protection programs such as Forest Legacy and the Land & Water Conservation Fund, the AMC echoes the testimony of Mr. Jad Daley of the Eastern Forest Partnership which underscores the importance of the Forest Legacy Program and the Land & Water Conservation Fund to the eastern region as a whole.

In fiscal year 2006, the AMC supports funding requests for the following Forest Legacy projects in our region:

State	Project	Amount
ME	Katahdin Ironworks .....	\$5,000,000
ME	Machias River Project—Phase II .....	3,000,000
NH	Rossvie Farm .....	2,000,000
NH	Willard Pond/Robb Reservoir .....	2,500,000
VT	Orange County Headwaters .....	1,500,000
VT	Green Mountain Wildlife Corridor .....	1,000,000
NY	IP Lands (Adirondack Working Forest Easement) .....	5,000,000
MA	Quabbin Corridor Connection .....	3,700,000
CT	Skiff Mountain .....	2,300,000
NJ	Sparta Mountain South .....	3,900,000
Total fiscal year 2006 AMC Forest Legacy Requests .....		29,900,000

The Land & Water Conservation Fund will provide critical protection to the Lake Umbagog National Wildlife Refuge in New Hampshire, the Green Mountain National Forest in Vermont, and to the Silvio O. Conte National Wildlife Refuge for projects throughout the Conte’s four-state region of New Hampshire, Vermont, Mas-

sachusetts, and Connecticut. The Silvio O. Conte Refuge ranks fourth in the Land Acquisition Priority System (LAPS) in part because the USFS projects the Connecticut River watershed to be among the top 20 growth areas in the nation in coming decades. A multi-state approach to conserving the most critical parts of the watershed, with local support, is vital to ensuring the many values that the Connecticut River and its watershed support in the New England states.

In fiscal year 2006, the AMC supports the following LWCF projects in our region:

State	Project	Amount
NH	Lake Umbagog National Wildlife Refuge .....	\$750,000
VT	Green Mountain National Forest .....	3,500,000
NH, VT, MA, CT	Silvio O. Conte National Wildlife Refuge .....	3,300,000
	Total LWCF Projects Supported by AMC .....	7,550,000

While the Forest Legacy Program and the Land & Water Conservation Fund have well established track records, the AMC hopes that the Subcommittee will begin to fund the Highlands Conservation Act in order to realize the intent of Congress to support critical land protection efforts in the Highlands Region of the mid-Atlantic. Current projects in Pennsylvania, New Jersey, and New York share strong local support, commitments for matching funding from State and private sources, and will protect important water supplies for public water sources in the three states. The Arrow Park project in New York will protect the last significant property buffering Sterling Forest State Park from residential and commercial development in the Town of Monroe.

In fiscal year 2006, the Appalachian Mountain Club supports funding requests for the following Highlands Conservation Act projects:

State	Project	Amount
NY	Arrow Park .....	\$3,070,000
NJ	Wyanokie Highlands .....	3,850,000
PA	Birdsboro Waters .....	1,250,000
PA	Oley Hills\$1,400,000.	
	Total AMC Highlands Conservation Act Requests .....	9,570,000

In addition to the critical land conservation projects from the KIW project in Maine to the Sparta Mountain South project in New Jersey, the AMC respectfully urges the Subcommittee to ensure the viability of programs that support outdoor recreation in the America.

One of the most important programs supporting human-powered recreation is the National Park Service's Rivers, Trails, and Conservation Assistance program. This program provides vital support to the nation's recreational trails and waterways and planning assistance for communities. The AMC echoes the testimony of the Rivers and Trails Coalition, of which we are a member, supporting funding at the level of \$9.7 million for the NPS' RTCA program.

Another critical program that provides beneficial services to millions of hikers and outdoor recreators across the nation is the Capital Improvement and Maintenance for Trails line in the U.S. Forest Service's budget. \$80 million is needed to ensure that the USFS has the ability to perform needed maintenance on trails throughout our National Forest System in places like the White Mountain National Forest, the Monongahela National Forest, and the many other places our members enjoy quiet recreation.

Thank you for the opportunity to present this testimony.

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#### PREPARED STATEMENT OF THE APPALACHIAN TRAIL CONFERENCE LAND TRUST

Mr. Chairman and Honorable Members of the Committee: The Appalachian Trail Conference Land Trust ("ATC") is thankful for the opportunity to present this testimony in support of a \$2.3 million appropriation to the State of Connecticut from the Forest Legacy Program for the Skiff Mountain project.

The mission of the ATCLT is to seek and protect the Trail Experience by preserving features in the surrounding environment that are important to the Trail and the Trail Experience. The Trail Experience is defined by the sum of opportunities that are available for hikers on the Appalachian Trail, unfettered and unimpeded by competing sights or sounds, and in as direct and intimate a manner as possible. Integral to this experience are the opportunities for observation, contemplation, enjoyment and exploration of the natural world; a sense of remoteness and detachment from civilization; opportunity to experience solitude, freedom, personal accomplishment, self-reliance and self-discovery; a sense of being on a height of land; a feeling of being part of and subordinate to the natural environment; and opportunity for travel on foot, including opportunities for long distance hiking. The strategy for accomplishing the mission is as follows:

*Conservation of land.*—Identify and map the area of interest encompassing the features important to the Trail Experience; identify logical areas and rank them in order of priority; identify property ownership within high priority areas and rank them in order of priority within the area; initiate landowner contact starting with the highest priority areas and tracts; and plan and execute conservation deals where owners are willing to work with us.

*Building the support network.*—Identify and get to know the conservation partners in the region; identify the potential funding sources in the region; identify and communicate with community leaders and land-use planners; participate in coalitions advancing our goals; and identify and work with conservation buyers.

The Housatonic River watershed and Connecticut Highlands have been identified as two of the high priority areas for the Connecticut Section of the Appalachian Trail Conference Land Trust.

ATCLT serves the towns of Sherman, Kent, Sharon, Cornwall, Falls Village and Salisbury. Lands owned by ATCLT are open to the public for passive recreation. Skiff Mountain is adjacent to the Appalachian Trail and forms the scenic backdrop for the most picturesque and accessible part of the trail in Connecticut as it skirts along the Housatonic River for almost seven miles.

The Land Trust is a program of the non-profit Appalachian Trail Conference (ATC). ATC hosts this land trust which is stepping up to protect additional land from willing sellers to augment the existing Trail corridor now that the National Park Service is winding down its acquisition program. The Land Trust holds approximately 304 acres which are passively managed for open space protection purposes.

By way of background, the Park Service works cooperatively with the ATC on most day to day management activities through a "delegation agreement" that officially transfers management responsibility to the ATC. ATC, in turn, has delegated these responsibilities to 30 Trail-maintaining clubs, with each one maintaining a designated section of Trail. The maintenance and management of the 55 miles of Trail and corridor lands in Connecticut are the responsibility of the Appalachian Mountain Club's (AMC) Connecticut Chapter, as implemented by its Volunteer Trails Committee. The ATC Land Trust's activities in Connecticut are carried out by the undersigned as the volunteer Connecticut Coordinator and member of the Connecticut AMC's Trails Committee.

The Appalachian Trail was designated a national millennium trail in 2000 and honored by the American Institute of Certified Planners and others as a "national planning landmark."

Both the Federal Government and the State of Connecticut have clearly delineated policies supporting the protection of the Appalachian National Scenic Trail Corridor. These policies would be furthered by this conveyance. Congress pass the National Trails System Act in 1968, Public Law 9-543 (82 Stat. 919), as amended by Public Law 95-248 (92 Stat. 159), designating the Appalachian National Scenic Trail as part of a national system of trails in order to provide for the ever-increasing outdoor recreational needs of an expanding population and in order to promote public access to, and appreciation for the outdoor areas of the nation, and to provide for the conservation and enjoyment of the nationally significant scenic, historical, natural and cultural qualities of the Trails in the System, including the Appalachian Trail.

In 1971, by Public Act 638 (C.G.S. Section 23-66), the Connecticut General Assembly declared it to be "the policy of the State of Connecticut that the Connecticut portion of the Appalachian National Scenic Trail be preserved in its natural character as proposed by Public Law 90-543, October 2, 1968."

Tens of thousands of hikers use the Appalachian Trail in Connecticut each year. The state has identified the Connecticut portion of the Highlands as a critical focus area under its Forest Legacy Program. Right now there are eight separate parcels of land in this focus area that are available for protection in fiscal year 2006. These

parcels total approximately 937 acres of Skiff Mountain Forest in northwestern Connecticut. They form a network of forested properties in Litchfield County straddling the Kent-Sharon town line, an area under tremendous large-lot development pressures. Located among 6,000 acres of existing conservation lands, and immediately adjacent to the federally protected and world-renowned Appalachian National Scenic Trail, the Skiff Mountain property has been identified by the state as its top priority for Forest Legacy funding this year.

In fiscal year 2006, \$2.3 million is needed from the Forest Legacy program to help preserve nearly 937 acres of Skiff Mountain, and keep intact this conservation corridor of the Housatonic River Watershed and four-state Highlands region. These funds will be matched by local funding and land value donation. We hope that you will provide \$2.3 million to ensure the success of this effort in the fiscal year 2006 Interior appropriations bill.

Thank you for the opportunity to present this request.

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#### PREPARED STATEMENT OF FRIENDS OF THE BOUNDARY WATERS WILDERNESS

Thank you very much for the opportunity to testify on behalf of the Friends of the Boundary Waters Wilderness (Friends) in support of a \$2 million allocation from the Land and Water Conservation Fund (LWCF) for the acquisition of Long Island on Burntside Lake in Superior National Forest. It is my understanding that this is a priority acquisition for the Forest Service locally and regionally.

The Friends' mission is to "protect, preserve and restore the wilderness character of the Boundary Waters Canoe Area Wilderness (BWCAW) and the Quetico-Superior Ecosystem."

To this end, I am writing to urge you to help protect Long Island, the largest undeveloped island on Burntside Lake, which has two key entry points into the BWCAW, five campsites, and six public canoe launching points.

Burntside Lake supports lake trout and is one of the few lakes in Minnesota that supports a natural cold water fishery. The lake is renowned for its big lake trout and walleye and also supports one of the largest populations of loons in the state. Burntside is also the start of an 11-mile canoe route called Burntside-Dead River-Twin Lakes-Everett, which is outside the BWCAW yet within the National Forest boundaries.

Long Island boasts one mile of undeveloped lakeshore, including a beautiful sand beach. Because there are a limited number of public beaches within the forest boundaries, Long Island's beach provides a unique recreational opportunity. The island is home to nesting osprey, blue heron and nesting loons, and is potential habitat for rare and sensitive species. The 64-acre Burntside Islands Scientific and Natural Area (SNA), which features two virtually undisturbed islands, is located immediately southwest of Long Island. These two forested bedrock islands are home to Great Lakes old-growth pine forests that are extremely rare outside of the BWCAW.

Public acquisition of the Long Island property will ensure that our beloved north wood's sounds and images, such as "the mournful cry of the common loon, the mysterious drumming of a male ruffed grouse, the soft carpet of feathermosses beneath a jack pine, and the ancient red and white pines that keep their lonely vigil over the very waterways that were home to countless generations of Native Americans, . . ." will be protected in perpetuity.

An appropriation of \$2 million from the Land and Water Conservation Fund in fiscal year 2006 will secure the acquisition of Long Island by the Superior National Forest, protect its critical natural resources for the public, and maintain the integrity of the great north woods. I thank you for your support.

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#### PREPARED STATEMENT OF THE EASTERN FOREST PARTNERSHIP

On behalf of the Eastern Forest Partnership and our member groups representing in total more than 170 citizens' groups from Mississippi to Maine, I would like to offer testimony on behalf of the strongest possible mark for conservation funding programs in the fiscal year 2006 Interior, Environment and Related Agencies Appropriations bill, including \$80 million for the U.S. Forest Service's Forest Legacy program with \$50.155 million allocated for eastern projects (see list below), and \$64.586 million for eastern projects funded through the Department of Interior's Federal Land & Water Conservation Fund (see list below). Despite current fiscal challenges, eastern forest conservation is a vital investment to ensure clean air and water, a sustainable supply of timber products, and opportunities to enjoy wildlife and outdoor recreation for the sixty percent of the U.S. population that lives within a day's drive of the eastern forests.

Conservation funding shortfalls in recent years have deprived some Forest Legacy projects like the Walls of Jericho the full amount of needed funding, and kept these under-funded projects in the already full pipeline for another year. In other instances, important Forest Legacy projects like Pennsylvania's Birdsboro Waters have been eliminated in conference despite being included in the House, Senate, and administration lists. Last year's appropriated amount covered just over 20 percent of national Legacy requests.

For the Federal Land & Water Conservation Fund (LWCF), the reduction to just over 33 percent of its authorized level continues to hamper Federal agency land acquisition in the East, most notably for national forest and national wildlife refuge enhancement. The Region 8 list of national forest acquisitions, in particular, is annually full of time-sensitive opportunities that are being lost as funding does not come through. Eastern refuges are also in dire need of acquisition dollars: the Silvio Conte National Wildlife Refuge ranks fourth in the Land Acquisition Priority System (LAPS), in part because the Connecticut River watershed is projected by the U.S. Forest Service as one of the top twenty in the nation for future development.

#### FISCAL YEAR 2006 FOREST LEGACY PROGRAM NEEDS IN THE EASTERN FORESTS

For the upcoming fiscal year, there is a compelling list of Forest Legacy projects that would greatly advance eastern forest conservation. Some of these projects, like Walls of Jericho and Machias River, Phase II, would complete projects were either partially funded last year or broken into multiple phases. Others, like the Katahdin Ironworks project in the Northern Forest, the History of Forestry project in Pennsylvania, and the Campbell Creek Watershed in North Carolina, are new priorities that would protect national treasures.

We believe that, at a minimum, Congress should fund the Forest Legacy program at the \$80 million level advocated in the President's budget. However, even this level of funding could result in lost opportunities to conserve critical eastern forests, such as the North Fork Corridor Forest Legacy project in Virginia. Prior to fiscal year 2005, Forest Legacy had enjoyed slow but steady growth in funding thanks to bipartisan support for the program. Funding Forest Legacy at \$80 million in fiscal year 2006 would continue the growth of this popular program to better meet the needs in the East and throughout the nation to prevent the conversion of forestlands and the resulting loss of traditional forest values.

In fiscal year 2006, the Eastern Forest Partnership supports funding requests for the following Forest Legacy projects in the eastern forests. (All projects and amounts below, listed alphabetically and not in order of priority, are included in and consistent with the President's budget except for those in *italics*, which recommend a suggested project addition or increase in funding.)

State	Project	Amount
CT	Skiff Mountain .....	\$2,300,000
DE	Green Horizons .....	3,000,000
GA	Altamaha River Corridor .....	3,000,000
KY	Knobs State Forest and Wildlife Management Area .....	1,750,000
MA	Quabbin Corridor Connection .....	3,700,000
MD	Broad Creek .....	1,500,000
ME	Katahdin Ironworks .....	5,000,000
ME	Machias River Project—Phase II .....	2,500,000
NC	Campbell Creek Watershed .....	1,800,000
NH	Rossvie .....	2,600,000
NH	Willard Pond .....	550,000
NJ	Sparta Mountain South .....	3,900,000
NY	Adirondack Working Forest Easement .....	5,000,000
NY	Surprise Lake .....	1,000,000
PA	History of Forestry .....	2,800,000
RI	Bugnet Tract .....	600,000
TN	Walls of Jericho .....	2,600,000
VA	New River Corridor .....	230,000
VA	North Fork Corridor .....	1,500,000
VT	Green Mountain Wildlife Corridor .....	1,052,000
VT	Orange County Headwaters .....	1,098,000
VT	Enosburg-Adams Pond .....	875,000
WV	Potomac River Hills .....	1,800,000
Total fiscal year 2006 Eastern Forest Legacy Requests .....		50,155,000

## FISCAL YEAR 2006 LWCF PROGRAM NEEDS IN THE EASTERN FORESTS

There are also many Federal Land and Water Conservation Fund projects of critical need. A number of these projects, including funding for the Silvio Conte National Wildlife Refuge and the Jefferson National Forest, represent significant omissions from the President's budget. Eastern Federal land units are too often compromised by in-holdings that undermine the conservation values of these Federal lands. With the rapid rate of rural land conversion to development across the East—an area larger than New Hampshire is now lost every five years according to the U.S. Geological Survey's Natural Resources Inventory—opportunities to consolidate these Federal holdings are dwindling. Increased LWCF allocations beyond the President's would be invaluable to fill out existing Federal land units in the eastern forests. The steep decline in Federal LWCF dollars in recent years has hampered the efforts of eastern land managers to buffer key resource areas from sprawling development pressures.

The following quote from recent U.S. Forest Service testimony regarding acquisition needs in Alabama captures the challenges faced by Federal land managers from encroaching development and their need for increased acquisition dollars:

"National Forest lands comprise the largest blocks of land in the State for management of endangered species, endangered species habitat, protection of water quality and opportunities for the public for recreation and hunting. If the United States does not acquire private properties within the Forest boundaries as they become available, many will be developed for residential or commercial purposes to the detriment of watersheds, protected species habitat and public recreational needs."

It is also worth noting that the Land and Water Conservation Fund Act of 1964 (16 U.S.C.A. Sections 460l-4—460l-11) recognized special needs for U.S. Forest Service acquisition dollars in the eastern states:

"*Provided further*, That except for areas specifically authorized by Act of Congress, not more than 15 per centum of the acreage added to the National Forest System pursuant to this section shall be west of the 100th meridian." (16 U.S.C.A. 460l-9(a)(1))

In fiscal year 2006, the Eastern Forest Partnership supports funding requests for the following LWCF projects in the eastern forests. (Projects are listed alphabetically and not in order of priority.)

[In millions of dollars]

Project	Amount
Projects included in the President's budget ( <i>italics indicate increase above President's request</i> ):	
Cache River NWR [AR] .....	.809
Arkansas Forests [AR] .....	<i>1.539</i>
Carter G. Woodson Home NHS [DC] .....	1.600
Georgia Mountains [GA] .....	<i>4.500</i>
Illinois Disappearing Habitat [IL] .....	1.000
Hoosier Unique Areas [IN] .....	1.500
Daniel Boone NF [KY] .....	<i>5.463</i>
Lake Umbagog NWR [NH] .....	.750
Wayne Selected Lands [OH] .....	1.000
Flight 93 Memorial [PA] .....	4.200
Francis Marion/Sumter NF's [SC] .....	<i>7.500</i>
Eastern Shore NWR [VA] .....	1.750
Prince William Forest Park [VA] .....	1.175
Projects not included in the President's budget:	
Silvio Conte NWR (multi-state) .....	3.300
Alabama National Forests [AL] .....	2.300
Cahaba River NWR [AL] .....	1.000
Florida National Scenic Trail [FL] .....	3.000
Suwannee Wildlife Corridor/Pinhook Swamp [FL] .....	3.000
Chattooga Wild & Scenic River [GA, NC, SC] .....	2.500
Cumberland Gap NHP-Fern Lake Watershed [KY/TN] .....	3.000
Delta NF [MS] .....	2.300
Uwharrie NF [NC] .....	.500
Great Swamp NWR [NJ] .....	1.000
Tennessee Mountains [TN] .....	3.000
Obed Wild and Scenic River [TN] .....	1.500
Jefferson NF-Black Lick, Rumley Branch [VA] .....	1.900

[In millions of dollars]

Project	Amount
Green Mountain NF-Broad Brook and others [VT] .....	3.500
Total fiscal year 2006 LWCF Request for Eastern Forests .....	64.586

It is worth noting that the state LWCF program, for which funding was entirely eliminated in the President's budget, is also an important source of funding for eastern forest conservation, and is often used to fund complementary state park and recreation projects that leverage the conservation value of Federal lands and areas conserved using Forest Legacy funding. Continued allocations for the state LWCF program would be very positive for eastern forests and synergistic with the other funding that we have requested.

The Forest Legacy and Federal LWCF projects listed in this testimony represent the best that the eastern forests have to offer, but are just a sliver of the total range of important and ready projects across the region that would conserve important public resources. We would be grateful for your consideration of this testimony as you go through the appropriations process.

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LETTER FROM THE GRAND COUNTY, UTAH COUNCIL MEMBERS

GRAND COUNTY COUNCIL MEMBERS,  
Grand County, Utah, April 25, 2005.

Hon. CONRAD BURNS, *Chairman*,  
Hon. BYRON L. DORGAN, *Ranking*,  
*Senate Appropriations Subcommittee on Interior and Related Agencies, U.S. Senate,*  
*Washington, DC.*

DEAR SIRs: I am writing this letter on behalf of the Grand County Council expressing our support of our local Bureau of Land Management Moab Field Office's application for 2006 Land Water Conservation Funds in the amount of \$1.2 million.

The money would allow the BLM to purchase 14 acres of private lands in the Colorado River Special Recreation Management Area (SRMA) for expansion of BLM's Westwater Ranger Station. This expansion would allow the BLM to add additional parking, campsites and a leach field for wastewater.

The money would also be used to purchase a conversation easement of 530 acres of riverfront property located downstream of the Westwater Ranger Station. This easement would prevent development in a habitat for nesting bald eagles, four endangered fish species and for enhancement of wetland properties.

We strongly support this application and ask that you do all that you can to lobby for the Colorado River SRMA project on behalf of the BLM office in Grand County.

Thank you for consideration of this request.

Sincerely,

JERRY MCNEELY, *Chairman*,  
*Grand County Council.*

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PREPARED STATEMENT OF THE IZAAK WALTON LEAGUE OF AMERICA

Mr. Chairman and Honorable Members of the Committee: Thank you for the opportunity to present this testimony in support of a \$2 million appropriation from the Land and Water Conservation Fund for critical land protection in the Minnesota National Forests. The top priority for the Minnesota Forests is the acquisition of undeveloped Long Island on Burntside Lake in the Superior National Forest. The Izaak Walton League of America supports this request.

I have visited and canoed on Burntside Lake many times, and can speak from personal experience of Burntside's value, and the increasingly difficult opportunity of preserving publicly-owned, undeveloped islands on this popular lake. Though I have not visited Long Island itself, since it has been in private ownership, I have seen it many times and know of its value if it were to become a publicly-owned, undeveloped island.

Burntside Lake is located about three miles northwest of the city of Ely in north-eastern Minnesota. The entire 7,100-acre lake is located within the boundaries of Superior National Forest. The lake is an important recreational area, with two entry points into the Boundary Waters Canoe Area Wilderness (BWCAW), the nation's most heavily visited unit of the National Wilderness Preservation System.

Burntside also has five public, primitive campsites and six public boat and canoe launching points. The lake is also the start of an 11-mile canoe route called Burntside-Dead River-Twin Lakes-Everett, which is outside the BWCAW yet within the National Forest boundaries. The deep lake (126 feet deep) supports lake trout and is one of the few lakes in Minnesota outside of the BWCAW that supports a natural cold-water fishery. The lake is renowned for its big lake trout and walleye and also supports one of the largest populations of loons (*Gavia immer*) in the state.

Burntside Lake also holds significant historic and cultural value. The historic Burntside Lodge, for example, built in 1913, is located on the lake and is on the National Historic Registry. Even more importantly, however, Burntside Lake is also the location of writer and conservationist Sigurd Olson's famous Listening Point, a forested shoreline point and a rustic cabin. Listening Point was a place of inspiration for Sig, his wilderness advocacy, and his many books (including one entitled Listening Point). Long Island is situated directly across from Sig's Listening Point, a place I have visited many times. The view from Listening Point includes Long Island, a view that inspired Sig during his lifetime and the many visitors who still come to visit the point.

The Izaak Walton League believes that Long Island would be an outstanding addition to the Superior National Forest, bringing one mile of undeveloped lakeshore into public ownership. The island has a beautiful sand beach along that lakeshore, which would be utilized by the public for recreation. The island is home to nesting osprey, great blue herons, and common loons. The 64-acre Burntside Islands Scientific and Natural Area (SNA), owned by the State of Minnesota, features two virtually undisturbed islands and is located immediately southwest of Long Island. These two forested bedrock islands are home to old-growth Great Lakes pine forests that are extremely rare outside of the BWCAW. Public acquisition of the Long Island property will bring to public ownership an outstanding treasure that will be protected in perpetuity.

The League supports an appropriation of \$2 million from the Land and Water Conservation Fund in fiscal year 2006 to secure the acquisition of Long Island, protect its critical natural resources for the public, and maintain the integrity of the great northwoods experience provided for by the Superior National Forest.

Thank you for the chance to submit this request.

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## PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF STATE FORESTERS

### INTRODUCTION

The National Association of State Foresters (NASF) is pleased to provide testimony on the U.S. Forest Service (USFS) \$4.88 billion budget request for fiscal year 2006. Representing the directors of state forestry agencies from the states, eight U.S. territories, and the District of Columbia, our testimony centers around those program areas most relevant to the long term forestry operations of our constituents. State and Private Forestry programs multiply the public benefits of federal funding by leveraging in-kind contributions through cost-share programs and matching funds from states. Wildland Fire Management supports essential State and Private Forestry and federal programs that address wildland fire.

We commend the President's commitment to the Forest Stewardship Program and the Forest Inventory and Analysis (FIA) program in the USFS budget for fiscal year 2006. Our recommendations include restoring funding to our top three priorities (State Fire Assistance, Cooperative Forest Health Management, and Urban and Community Forestry) and discussing other opportunities for Congress to further the advancement of sustainable management on both public and private forestland nationwide.

### STATE AND PRIVATE FORESTRY PROGRAMS

#### *State Fire Assistance (SFA)*

State Fire Assistance (SFA) provides much-needed financial and technical assistance to states for wildland fire management. It helps to ensure preparedness of state and local resources who serve as the first line of defense for their forests and communities. These fire fighting resources function as both "first responders" for local situations and as "ready reserves" for large federally managed catastrophic fires. Further, SFA is the only program that currently provides funding for fuel reduction work on non-federal lands. It is also one of the few programs that helps communities develop Community Wildfire Protection Plans, which are an important component of the Healthy Forests Restoration Act.



SFA provides the flexibility to meet different state needs, which may include fire-fighting preparedness, firefighter training, fire suppression, and hazardous fuel reduction, Community Wildfire Protection Plans, as well as prevention activities. SFA is funded under both Cooperative Fire Protection (State and Private Forestry) and Wildland Fire Management in the Forest Service budget. All SFA funds under Cooperative Fire Protection are used to help states increase preparedness at the local level through training, coordination, and providing communications equipment to local firefighters. Funding under Wildland Fire Management is used for both preparedness and hazard mitigation. Reducing these funds would seriously hamper the states' ability to treat hazardous fuels on private lands and to work with communities to complete Community Wildfire Protection Plans.

NASF recommends continued level funding for State Fire Assistance at \$33 million under Cooperative Fire Protection and \$40 million under Wildland Fire Management. Funding these line items at last year's level provides continued protection for local communities from catastrophic wildland fire, many of which originate on federal lands.

#### *Cooperative Forest Health Management*

The Cooperative Forest Health Management program provides funding assistance to address Forest Health issues on non-federal forestland. Cooperative Forest Health Management concerns include prevention, detection, and suppression of damaging insects, diseases, and plants. Every year, the American public loses billions of dollars to invasive species, insects, and disease detection and control. The Cooperative Forest Health Management program assists in the development and application of new technologies that mitigate these forest health concerns and reduce public expenses. These funds, from both State and Private Forestry (S&PF) and Wildland Fire Management, are critical to the maintenance of healthy sustainable forests. Forest pests know no land ownership boundaries and often move to and from federal lands.

NASF recommends funding S&PF Cooperative Forest Health Management at the fiscal year 2005 level of \$48 million to provide the tools needed to address forest health issues across the many non-federal forest types and ownerships in the United States.

NASF also recommends \$10 million to continue level support for Cooperative Forest Health Management under Wildland Fire Management to address forest health problems that increase the risk of catastrophic wildland fire. Cooperative Forest Health Management funds help states achieve the goals of the Healthy Forests Initiative by restoring healthy forests across ownership types.

#### *Urban and Community Forestry*

The Urban and Community Forestry program provides technical and financial assistance to promote the stewardship of urban and community trees and forest resources. The program leverages existing local efforts that help urban areas and rural communities manage, maintain, and improve their tree cover and green spaces. Such efforts emphasize the vital connection between human and natural environments, and create social and aesthetic benefits.

NASF is working with the Forest Service to develop a new allocation formula to distribute funding among the states and territories. This new formula will more closely align state funding allocation with program goals and objectives.

NASF recommends funding the Urban and Community Forestry program at the fiscal year 2005 level of \$32 million to enhance the quality of life for communities in urban and rural areas.

#### *Forest Stewardship Program*

The Forest Stewardship Program continues to serve as the primary program for promoting sustainable forest management on family forest lands. From 1991 to 2002, the Forest Stewardship program turned out more than 217,000 Stewardship Plans covering more than 25 million acres. These management plans help landowners to sustainably manage their forestland for the benefit of all. NASF encourages efforts to better target the delivery of the Forest Stewardship Program in order to focus on priority resources concerns. NASF supports the President's proposed funding of \$37.1 million in fiscal year 2006 for the Forest Stewardship Program.

#### *Forest Inventory and Analysis (FIA)*

The Forest Inventory and Analysis program provides crucial forest information to policy makers and land managers, enabling them to make informed forestry-related decisions. FIA data provides users with relevant information on the condition, extent, use, and health of forests across ownership. Increasing funding for this program will enable this important work to continue, while improving the quality of

information being provided. NASF supports the President's recommendation of providing \$73.3 million for full funding of the FIA program. We recommend the funding increase be used to establish a full inventory cycle in each state, and to ensure timely annual reporting. Together with a well-funded research program, FIA will continue to provide essential inventory data for addressing long-term forest management needs.

*Economic Action Program (EAP)*

The Economic Action Program is the only federal assistance program that targets forest-based economic development. With our current forest health threats across the country, EAP helps find local solutions to forest health problems while fostering economic sustainability in communities. State Foresters will continue to work with the Forest Service and rural communities to help them deliver a focused and results oriented forest-based economic development program.

OTHER FEDERAL PROGRAMS

*Federal Wildland Fire Management*

NASF recommends continued funding of federal wildland fire management at the 10-year average. Funding is integral to rapid suppression of small fires before they grow into large and costly fires. The increasing costs of wildfires—due mainly to drought, fuel accumulation, and the rapid expansion of the wildland-urban interface—makes adequate suppression funding critical. We support continued funding for preparedness, fire operations, and hazardous fuels treatment on federal land, including the \$15 million provided under State and Private Forestry Appropriations that may be used on non-Federal land to protect communities at risk from adjacent USFS lands where hazard reduction activities are planned.

*DOI conservation grant programs*

NASF supports the Department of the Interior conservation grant programs for private landowners to manage their land for a variety of public benefits. Continued funding will ensure these programs remain viable.

CONCLUSION

NASF seeks the Subcommittee's support for a Forest Service fiscal year 2006 budget that will ensure the continued delivery of a broad range of public benefits from privately owned forest lands. Collaboration among stakeholders across the landscape—federal, state, and local government agencies, private landowners, industry, and non-profit organizations—is necessary to manage for the wide range of forest resources found on all ownerships and the values derived from those lands. Cooperative Forestry, State and Private Forestry (S&PF), and Wildland Fire Management provide these links. The federal share leverages private dollars and provides an important catalyst for collaboration in order to take the work far beyond the usual boundaries of federal land management.

We realize that the Subcommittee will be faced with some difficult funding decisions this year and will have to make sacrifices and tradeoffs to some programs. NASF encourages you to keep our priorities in mind when making these decisions.

Thank you for the opportunity to provide our testimony.

PREPARED STATEMENT OF THE NATIONAL WILDLIFE FEDERATION

Mr. Chairman, on behalf of the more than four million members and supporters of the National Wildlife Federation, thank you for the opportunity to express to your Subcommittee our funding recommendations for Interior Department and U.S. Forest Service programs in fiscal year 2006. The purpose of our testimony is to recommend levels of funding for a few specific programs that are vital to our mission to educate, inspire and assist individuals and organizations of diverse cultures to conserve wildlife and other natural resources in order to achieve a peaceful, equitable and sustainable future. NWF requests a total of \$1,296,387,000 in funding for our priority programs, or \$260,547,000 in increases above the President's budget request.

U.S. FWS

*State and Tribal Wildlife Grants*

The State and Tribal Wildlife Grant program provides states and their partners a broad suite of conservation tools early enough to allow for meaningful and effective species conservation. The program strategically focuses resources on those spe-

cies most in need of conservation, leverages state and private funding, and promotes scientific understanding of these species and their habitats. The Administration's request for \$74 million is an increase in funding for this program from the 2005 enacted level, but is still \$6 million less than the \$80 million the President requested last year. This program's needs are much larger and growing, so we ask the Subcommittee to increase its support to \$85 million, an increase of \$11 million over the President's request. This is the nation's only program to keep species of every state common.

#### *Endangered Species Program*

We are disappointed that the Endangered Species Program has not been funded at the level needed to carry out its purpose of preventing extinction and recovering our irreplaceable wildlife. While we note with appreciation the increases in funding for the Listing and Consultation programs, we are concerned that the President's budget proposal would cut total funding by over \$3.1 million. The Species Recovery program would suffer the deepest cuts of more than \$5.6 million, while funding for Candidate Conservation faces the largest percentage reductions of over 10 percent. Overall, the President's budget allots only \$140 million to ESA protections, and although this is an improvement over the fiscal year 2005 budget request, the needs of the FWS are much greater. We urge the Subcommittee to appropriate at least \$212 million toward the Endangered Species Program (an increase of \$72 million) for the following critical activities:

- Listing Program.*—The proposed \$2 million increase in the Listing and Critical Habitat account will not begin to cover the backlog of species awaiting action on listings and critical habitat designations. More than 250 candidate species have been denied the ESA's safety net due to lack of resources, including the Washington ground squirrel, sheath-tailed bat, gunnison sage grouse, and the elfin woods warbler. Some of these have been candidates for years and could become extinct while waiting for ESA protection. To address this backlog, FWS needs \$30 million, or an \$11.87 million increase in the Listing account (FWS has estimated that it would take \$30.6 million a year for 5 years to clean up this backlog).
- Recovery Program.*—Under the President's budget this program would be reduced by \$5.63 million to 8 percent below the 2005 enacted level, even though FWS has said that more than 200 currently listed species are on the verge of extinction because not enough funds are available for recovery activities. The cut includes a \$1.18 million decrease for wolf recovery in Montana, Idaho, and Wyoming, undermining a great wildlife recovery success stories. The President's budget also cuts almost \$4 million in grants for Pacific and Atlantic salmon, as well as \$986,000 from the Platte and Upper Colorado River Recovery Programs. Loss of this funding would erase benefits from past investments, since these recovery programs are just now being implemented. In order to develop and implement recovery plans for all species needing them, FWS needs \$110 million—or \$46 million over the President's request.
- Consultation Program.*—Consultation received an increase of \$1.35 million, which is not sufficient to meet the FWS's future needs in this area. In order to ensure consultations are successfully completed in a timely manner, we urge the Committee to increase funding for consultation to \$57.146 million, which is \$7.66 million over the President's request.
- Candidate Conservation.*—Candidate species are plants and animals for which listing is precluded due to lack of resources and other higher priority listing activities. The President has also proposed reducing the Candidate Conservation program by approximately \$1 million, despite the fact that efforts to protect candidate species early are extremely cost-effective and reduce the difficulty and expense of species recovery. We request an increase to \$14.808 million, which is \$6.56 million over the President's request.

#### *Habitat Conservation*

While we appreciate the \$7.5 million increase in funding for Habitat Conservation included in the Administration's request, NWF is extremely disappointed that the Administration's budget eliminates funding for the High Plains Partnership. This public-private partnership proactively conserves declining grassland habitats and species like the sage grouse, lesser prairie chickens, and black tailed prairie dogs while making private lands more economically viable, using land owner incentives and technical assistance. We ask the Subcommittee to reinstate full funding of \$986,000 for the important and highly cost-effective High Plains Partnership Program.

*National Wildlife Refuge System Operations and Maintenance*

The President's budget calls for a \$12.87 million increase for the National Wildlife Refuge System Operations and Maintenance budget. While we appreciate the President's commitment to increasing funding for the Refuge System, we note with concern that when cost-of-living, energy, and increasing levels of visitor services and wildlife management requirements are taken into account, this increase would ultimately be an effective cut in refuge funding (and thus a decrease in refuge services). NWF supports the Cooperative Alliance for Refuge Enhancement (CARE) recommendation of a \$16 million increase over the fiscal year 2005 level to a total of \$397 million to approach a "no-net-loss" position for the Refuge System, and avoid layoffs and reductions in services, maintain protections for wildlife and habitat, prevent backsliding on gains already made, and help reduce the \$931 million maintenance backlog and address critical operations needs in the National Wildlife Refuge System in coming years.

*Multinational Species Conservation Funds and Wildlife Without Borders*

NWF is concerned to see that the President's budget reduces total funding for the Multinational Species Conservation Fund by \$1.36 million. For fiscal year 2006, we ask the Subcommittee to again support these successful programs by appropriating \$2 million each for the African Elephant, Asian Elephant, Great Apes and Marine Turtle Conservation Funds, \$2.5 million for the combined Rhinoceros and Tiger Conservation Funds, and \$5 million for the Neotropical Migratory Bird Conservation Fund for a total of \$15.5 million for these 6 funds, \$7.2 million above the President's request. We also suggest an increase of \$1.5 million over the President's request for Wildlife Without Borders, for a total of \$2.5 million. All of these highly successful programs enables the Department of Interior to promote conservation of threatened species in their natural habitats. Each of these programs is highly leveraged, bringing in several times as much funding from private and other public sources as the amounts appropriated. These funds will enable the Department of Interior to expand critical support for these threatened populations in their natural habitats. All of these proposed increases amount to a total of \$8.7 million above the President's request.

*Service Landowner Incentive Program*

NWF supports the President's increases in funding for the Landowner Incentive Program. We request that \$6 million of the total \$40 million budgeted for this program be allocated to strengthen the technical capacity of the State Natural Heritage Programs and NatureServe to provide the reliable scientific information required for effective conservation efforts.

BLM NATIONAL LANDSCAPE CONSERVATION SYSTEM (NLCS)

The NLCS is an American treasure that consists of 26 million acres of BLM's most spectacular lands. Since its creation in June 2000, however, the System has been chronically under-funded, and is in critical need of adequate resources just to meet the planning requirements and to manage the growing number of visitors for these new units. A shoestring budget means critical needs go unmet; illegal and irresponsible off-road vehicle traffic increases, invasive species spread, land acquisition opportunities slip away, and ancient artifacts are vandalized. We request an increase of \$3.2 million in Operations, Maintenance, and Planning funding for the NLCS, for a total of \$46.6 million for resource protection, archeological inventories, and law enforcement capability. Additionally, we request an additional \$2 million in critical land acquisitions needs above the President's request.

NLCS Operations request of \$3.2 million above the President's request for the following projects:

- Agua Fria National Monument, AZ: \$300,000* for cultural resource protection, visitor education and infrastructure needs.
- Canyons of the Ancients National Monument, CO: \$100,000* to prevent looting and vandalism of cultural treasures.
- Craters of the Moon National Monument, ID: \$100,000* for invasive species control.
- Grand Canyon-Parashant National Monument, AZ: \$350,000* for habitat restoration, resource monitoring, cultural and historic site research and protection.
- Grand Staircase-Escalante National Monument, UT: \$400,000* for cultural and paleontological research and biological monitoring.
- Headwaters Forest Reserve, CA: \$25,000* for wildlife survey analysis and education.

- Ironwood Forest National Monument, Las Cienegas National Conservation Area and San Pedro Riparian Area, AZ: \$150,000* for increased law enforcement, field presence and visitor education.
  - Pacific Crest Trail, CA: \$150,000* for improved trail maintenance and management.
  - Santa Rosa and San Jacinto Mountains National Monument, CA: \$500,000* for tamarisk removal, watershed assessment, and visitor education.
  - Sonoran Desert National Monument, AZ: \$385,000* for visitor management, law enforcement and education.
  - Steens Mountain Cooperative Management and Protection Area, OR: \$60,000* for creation of a new Wilderness volunteer coordinator.
  - Upper Missouri River Breaks National Monument, MT: \$300,000* for law enforcement.
  - Vermilion Cliffs National Monument, AZ: \$400,000* for cultural resource protection, invasive species control, visitor education and environmental monitoring.
- NLCS Land Acquisition request of an additional \$2 million above the President's request:

We support the President's fiscal year 2006 request for Land and Water Conservation Fund projects for Canyons of the Ancients, Santa Rosa and San Jacinto Mountains, and Agua Fria National Monuments; El Malpais, and Colorado Canyons National Conservation Areas; and other NLCS units. In addition to those projects, we urge the Subcommittee to fund \$600,000 for land acquisition along Ankle Creek in Steens Mountain Cooperative Management and Protection Area, Oregon; \$700,000 to acquire Soda Mountain inholdings in Cascade-Siskiyou National Monument, Oregon; and \$770,000 to acquire the Calf Creek parcel in Grand Staircase-Escalante National Monument, Utah.

#### U.S. FOREST SERVICE FOREST LEGACY PROGRAM

NWF commends the Administration for requesting a \$22 million increase for the Forest Legacy Program, but we note that this is actually \$20 million less than the President requested in fiscal year 2005. The needs of this program are much larger and growing, so we ask the Subcommittee to appropriate \$100 million for the program, or an increase of \$20 million. Forest Legacy protects environmentally important forests that are threatened with conversion to non-forest uses, while protecting local communities and their way of life. The program has been especially important in states where there are few federal land holdings and timber companies are in the process of consolidating and selling their lands.

We also request that you to include \$5 million for the U.S. Forest Service's North Florida Wildlife Corridor-Pinhook Land and Water Conservation Fund project. Located between the Osceola National Forest in Florida and the Okefenokee National Wildlife Refuge in Georgia this important corridor includes the headwaters of the Suwannee and St. Mary's rivers and provides habitat for a number of threatened and endangered species, as well as an array of diverse birds and other wildlife. The North Florida Wildlife Corridor/Pinhook Swamp provides a critical biological and hydrological link between these two areas. It represents the final piece of a conservation strategy to create one of the largest contiguous protected natural areas in the United States. In fiscal year 2006, \$5 million is needed to purchase 5,000 acres of lands that are critical to the project. Each year the pressures of encroaching development and increased human populations threaten the ultimate goal to create the largest wildlife corridor in the United States. We urge you to help protect this vital area while there is still time.

#### LAND AND WATER CONSERVATION FUND (LWCF)

The federal LWCF provides funding for the acquisition of valuable wildlife habitat by the federal land management agencies. The LWCF is an invaluable tool to help enhance wildlife habitat, preserve natural, cultural, and historic sites, restore declining native species, and halt the destruction and fragmentation of millions of acres of habitat occurring annually across the United States. NWF is concerned to see that the President's budget includes significant cuts to the LWCF. Massive cuts to the LWCF would be devastating to this highly effective program, responsible for preserving nationally beloved areas such as Redwoods National Park, Gettysburg Military Park, and the Appalachian Trail. In fiscal year 2001, Congress and the President agreed to fund the federal LWCF at \$450 million, as part of the CCPII (\$300 million above the President's request). We urge the Subcommittee to provide at least \$200 million for federal LWCF.

In addition, Stateside LWCF provides matching funds for state and local recreation and conservation programs. We are extremely disappointed to see that the Ad-

ministration's budget cuts all funding for stateside LWCF. Eliminating this Fund would seriously impact locally sponsored recreation projects that provide opportunities for youth, seniors and the physically challenged. We ask the Subcommittee to restore \$90 million for Stateside LWCF in keeping with the previously agreed-upon levels of funding for LCPIL.

Thank you for providing us with this opportunity to testify on the budget requests for the Interior Department and U.S. Forest Service.

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PREPARED STATEMENT OF THE NATIONAL WILDLIFE REFUGE ASSOCIATION

Mr. Chairman and Members of the Subcommittee: On behalf of the National Wildlife Refuge Association (NWRA) and its membership comprised of current and former refuge professionals and members of the more than 240 refuge "Friends" group organizations throughout the United States, thank you for the opportunity to offer comments on the fiscal year 2006 Interior Appropriations bill.

Specifically, we respectfully request that the Subcommittee support a \$16 million increase in the operations and maintenance budget of the National Wildlife Refuge System, managed by the U.S. Fish and Wildlife Service (FWS), in the fiscal year 2006 budget. This request represents a "no-net-loss" approach to the Refuge System budget. We also ask the Subcommittee to: restore funding for the refuge Wildlife and Habitat and Visitor Services accounts; continue to support volunteer projects on and in connection with refuges, like the Cooperative Volunteer Invasives Monitoring Program, that utilizes Friends and volunteers to identify and eradicate invasive species; allocate \$150,000 in the U.S. Geological Survey (USGS) budget to integrate Refuge System invasive species data with the USGS National Institute of Invasive Species Science (NISS) database; protect refuges from threats under the auspices of right-of-way privileges; provide \$85 million for the State and Tribal Wildlife Grants Program; and provide funding for land acquisition in the Refuge System through the Land and Water Conservation Fund.

As you know, the National Wildlife Refuge System continues to be crippled by a \$2 billion funding backlog that harms every refuge in the System. Specifically, funding shortfalls limit the ability of refuges to successfully conduct important biological programs and hire critical staff, while also hindering opportunities for the public to engage in compatible wildlife-dependent recreation.

While significant strides were made to reduce the shortfall in connection with the 100th anniversary of the National Wildlife Refuge System—and we are grateful to the Subcommittee for its work in this regard—efforts must be made to prevent any backsliding on these past gains. The Cooperative Alliance for Refuge Enhancement (CARE), 21 diverse conservation and sporting organizations, of which the NWRA is a member, has determined that it will be necessary to increase the annual Refuge System budget to \$700 million simply to meet the System's top tier needs. Our groups, representing a national constituency numbering more than 5 million Americans, recognize the value of a healthy Refuge System to both the wildlife and habitats refuges were established to protect and the 40 million visitors that frequent these special places each year.

The National Wildlife Refuge System budget must increase by approximately \$16 million in fiscal year 2006 to achieve a "no-net-loss" funding level. The \$16 million increase accounts for cost-of-living increases for FWS personnel, rising energy costs and other cost increases, while sustaining current levels of visitor services and wildlife management. This funding level will allow the Refuge System to avoid employee layoffs and reductions in services, maintain protections for wildlife and habitat, prevent backsliding on gains already made, and help to contain growth in the Refuge System backlog.

The NWRA is concerned about cuts in the Administration's fiscal year 2006 budget proposal for the Wildlife and Habitat account. The cuts affect funding for essential staffing needs and represent approximately 10 FWS jobs.

We are also concerned about cuts in the Administration's fiscal year 2006 budget proposal for the Refuge System's Visitor Services and Visitor Facility Enhancements programs. Visitor Services funding pays for many Friends group and volunteer programs that support refuges and provide the public with wildlife-dependent recreation opportunities. We urge the Subcommittee to restore this vital funding to prevent refuges from losing the ability to provide to the public the simplest and most cost-effective methods of outreach, education and orientation, made possible, in part, by the vibrant Refuge System volunteers.

For fiscal year 2006, we also encourage the Subcommittee to continue its support for volunteer-based invasives detection and eradication activities by again appropriating \$1 million for volunteer-oriented invasives programs.

The NWRA thanks the Subcommittee for its work in the fiscal year 2003 and fiscal year 2005 budgets to promote the use of volunteers to address the growing threat of invasive species on and adjacent to our national wildlife refuges. More than 300 separate refuges have taken actions to control invasives, and the Refuge System has identified \$150 million of invasive species projected needs. By utilizing the strong volunteer support available to the Refuge System, we can significantly expand our ability to identify and record data on invasives in refuges, and implement control measures.

The Cooperative Volunteer Invasives Monitoring Program (VIMP), currently underway at six pilot refuges (Hobe Sound (FL); National Bison Range (MT); Ottawa (OH); San Bernard (TX); San Pablo Bay (CA); and the Pondicherry unit of Silvio O. Conte (NH)), is showing tremendous results. The Program is a partnership among the NWRA, FWS, USGS and The Nature Conservancy that seeks to train refuge volunteers to identify invasives and collect extensive data using inexpensive but sophisticated global positioning system (GPS)/geographic information system (GIS) data-collection equipment. The data is entered into a centralized database and will augment incomplete information previously compiled by refuge staff.

As a result of funding provided by this Subcommittee in fiscal year 2005, the six original pilot refuges in the VIMP will begin invasive species control efforts, while at least six new sites will be added to the program. The balance of the fiscal year 2005 allocation will provide funding for a competitive grants program for cooperative invasives projects with refuge Friends and volunteers.

Collection of this data aids the FWS in detecting early infestations of invasives on refuges, and helps to prioritize rapid response eradication activities. This technology is already proving successful and should continue to be expanded to a larger percentage of refuges in the coming years. The program provides a more complete picture of the scope and impact of invasives on fragile refuge habitats and helps the FWS develop stronger invasives management protocols. In addition, broader community awareness and involvement generated through this program serves to strengthen federal, state and private lands initiatives aimed at addressing this rapidly growing threat.

The USGS National Institute of Invasive Species Science assists the FWS and other Department of the Interior agencies in invasive species monitoring and management efforts. In 2002, NIIS conducted a refuge-wide survey of invasive species and created a web-based database to report this information. Expanding this database into one capable of combining existing disparate data on invasive species in the Refuge System would greatly advance efficiency and cost-effectiveness of early detection and control as well as help track the success of control efforts.

We recommend that the Subcommittee allocate \$150,000 in the USGS budget to integrate National Wildlife Refuge System invasive species data (such as the data created through the Cooperative Volunteer Invasives Monitoring Program, Invasive Plant Strike Teams and Refuge Lands GIS) with the NIIS database.

The NWRA supports the Administration's request for funding to increase the number of rapid response strike teams to quickly respond to invasive species infestations. We ask the Subcommittee to include funding for the creation of two more strike teams for fiscal year 2006 to effectively combat the spread of invasive species in wildlife refuges, while preserving funding for base programs.

We would also like to express our appreciation to the Subcommittee for extending the Recreational Fee Demonstration Program for 10 years in fiscal year 2005. Our organization, members and affiliated Friends groups see first-hand the benefits this valuable program provides the Refuge System. We hope the 109th Congress will act to make this important program permanent.

The NWRA also encourages the Subcommittee to include language prohibiting the use of funds by the Bureau of Land Management to use the recordable disclaimer regulations with regard to any lands within a designated National Wildlife Refuge System unit, national monument, wilderness study area, National Park Service unit, or lands within the National Wilderness Preservation System. As the Subcommittee is aware, issues such as rights-of-way claims in national wildlife refuges through the use of Revised Statute 2477 threaten wildlife habitat and visitor experiences at many refuges.

We encourage the Subcommittee to fund the State and Tribal Wildlife Grants Program at \$85 million. This important program gives states the needed funding to develop and implement comprehensive conservation plans to protect declining species and their habitats.

The NWRA also encourages the Subcommittee to provide funding for land acquisition in the Refuge System through the Land and Water Conservation Fund. Specifically, we request the following:

—\$1.9 million for Balcones Canyonlands NWR (TX);

- \$2 million for Bear River Migratory Bird Refuge (UT);
- \$2.3 million for Big Muddy NWR (MO);
- \$500,000 for Chickasaw NWR (TN);
- \$300,000 for E.B. Forsythe NWR (NJ);
- \$510,000 for Great Swamp NWR (NJ);
- \$2.5 million for Laguna Atascosa NWR (TX);
- \$2.5 million for Lower Rio Grande Valley NWR (TX);
- \$1.6 million for Rachel Carson NWR (ME);
- \$2.5 million for Tensas NWR (LA); and
- \$2.15 million for Trustum Pond NWR (RI).

In conclusion, the NWRA believes the National Wildlife Refuge System can meet its important conservation objectives only with strong and consistent funding leveraged by the valuable work of refuge volunteers. We extend our appreciation to the Subcommittee for its ongoing commitment to our National Wildlife Refuge System.

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PREPARED STATEMENT OF THE NATIVE PLANT CONSERVATION CAMPAIGN  
REGARDING

Botany Programs of the Bureau of Land Management and the U.S. Forest Service, the Recovery Program of the U.S. Fish and Wildlife Service, Prevention and the Department of the Interior Programs for Control of Invasive Non-Native Species Infestations and the Native Plant Materials Development.

The Native Plant Conservation Campaign (NPCC) is a nationwide network of native plant science and conservation organizations. The NPCC is a project of the Center for Biological Diversity and the California Native Plant Society. Our mission is to promote appreciation and conservation of native plant species and communities through collaboration, education, law, policy, land use and management. Currently the NPCC network includes 33 affiliate native plant societies, botanic gardens, museums, and arboreta, representing more than 60,000 scientists and laypersons nationwide. NPCC members rely on public lands and botanical resources for enjoyment, education, research, and recreation. The NPCC requests that the Senate augment the budget of the Bureau of Land Management (BLM) by \$21,126,613 and that of the U.S. Forest Service (USFS) by \$15,516,977 to adequately staff botany programs within these agencies. We further request a minimum of \$100 million for the FWS Recovery Program budget to begin to address the backlog in recovery plan implementation, and \$14.4 million for invasive non-native plant inventory and control. Finally we request \$10 million for the BLM and USFS Native Plant Materials Development Program.

BACKGROUND

*Land Management Agency Staffing*

America's native plants and public lands are central to the nation's quality of life and economic well being. Botanists are among the most important resource managers on public lands, but land management agencies are severely understaffed in botany. Nationwide, the Bureau of Land Management (BLM) employs approximately 61 botanists to manage vegetation on its 264 million acres (1 botanist/4.3 million ac.). The U.S. Forest Service (USFS) employs approximately 200 botanists across 191 million acres of National Forests (1 botanist/1.1 million ac.). This is a serious problem for a number of reasons.

First, plants are the foundations of ecosystems. Health of native vegetation controls the quality and quantity of goods, services and enjoyment that Americans derive from our public lands. Second, butterflies, bears, and all native wildlife that the public enjoys require healthy native plant communities for survival. Third, species conservation, recreation, commodity production and all other programs require input and review from qualified botanists to avoid resource damage, controversy and litigation. National Forests, for example, provide habitat for nearly 2,000 "sensitive" plants, any of which could become eligible for federal listing if mismanaged. Finally, the President's priorities for public lands include increased emphasis on fire and invasive species management to prevent further ecological degradation. These priorities require high quality vegetation management, so botanists are integral to their successful implementation. Staffing levels are inadequate to meet agencies' duties to taxpayers or the needs of our resources.

*Recovery*

Recovery of imperiled species and their removal from the federal endangered species list is the primary goal of the Endangered Species Act (ESA). Unfortunately,



the President's 2006 budget request reduces recovery funding by 10 percent. Further, plant recovery programs are severely underfunded and understaffed. Sixty percent of federal endangered species are plants. However, according to the FWS in fiscal year 2000, only 4.5 percent of federal recovery funding went to listed plants. Thus, most plant recovery plans are not adequately implemented; many are not implemented at all. The FWS has a recovery ranking system based on likelihood of recovery and degree of threat to each listed species and a priority system for recovery tasks. We suggest that this system be used as the basis for more equitable recovery budgeting.

#### *Invasive Non-Native Species*

Invasive non-native species cause up to \$123 billion in economic losses in the United States each year. Scientists implicate non-native species in the decline of 49 percent of federally listed species (57 percent of plants). According to the BLM, invasive non-native plants (weeds) already dominate at least 17 million acres of federal lands. These infestations reduce the value of our public lands for recreation, wildlife, and livestock. They also often cause other problems such as reduced water supply and increased fire danger. Agencies must be adequately funded to prevent and control invasive non-native species infestations. The President's budget calls for a reduction of funding for the Forest Service invasive species program. This is unacceptable as weeds are devastating ecosystems and economies throughout the United States.

#### *Native Plant Materials Development Program—BLM Wildland Fire Management Budget*

The purpose of this program is to develop seed of local native plants to be used for restoration and revegetation projects on federal lands. The use of native plant materials ensures sustainable, successful revegetation and restoration of public lands, helps maintain local biological diversity, and maintains a sustainable flow of goods and services from public lands. Funding for this program has been dropping. It should be fully funded. This program is funded through the BLM wildland fire management budget.

#### REQUEST

#### *Land Management Agency Staffing*

The following augmentations are the minimum necessary to begin to move the agencies towards adequate botany staffing:

- Each USFS Ranger District should be staffed with at least one full time series 430 botanist.
- There are 156 BLM field offices. Their areas of responsibility vary from several thousand to several million acres. We propose that BLM nationwide employ one series 430 botanist for each 500,000 acres under management. Botanists should be distributed based on local workloads. At minimum each BLM field office should be staffed with one full time botanist.

Based on a GS-11 Step 1 base salary with no locality adjustment (\$45,239/yr), these staff levels would require the following budget augmentations:

Agency	Current FTEs	FTE goal	Needed	Additional cost (vs. current budget)
USFS .....	200	<sup>1</sup> 543	343	\$15,516,977
BLM .....	61	<sup>2</sup> 528	467	21,126,613
Total .....				36,643,590

<sup>1</sup> 1 FTE per Ranger District.

<sup>2</sup> 1 FTE per 0.5 million acres.

#### *Recovery*

We request full funding for FWS recovery plans for fiscal year 2006 for plants and animals with High Recovery Potential and a High or Moderate degree of Threat, according to the FWS priority ranking system. For lower ranked species, we request that Priority 1 recovery actions identified in recovery plans be funded for fiscal year 2006. Priority 1 actions are defined by FWS as actions needed to prevent extinction.

We do not have the FWS recovery budget requests for the species that fall into these categories. However, recent scientific studies based on the FWS priority system and species status recommended an augmentation of \$300 million above current annual recovery spending. This augmentation would certainly improve recovery suc-

cess under the ESA. Given current budget constraints, we request a recovery budget of at least \$100 million for the fiscal year 2006 FWS recovery program.

*Invasive non-native species*

The BLM received \$7.7 million in fiscal year 2004 for control and inventory of invasive non-native plants nationwide. The agency estimated it required approximately \$16 million to adequately meet needs for fiscal year 2005. That was a budget augmentation of \$8.3 million. We do not have fiscal year 2006 figures.

Region 5 of the USFS has estimated that an additional \$700,000/yr is needed to meet regional weed control needs for fiscal year 2006. Based on the assumption that all 10 USFS regions need at least that amount, we request a budget augmentation of \$7 million for USFS non-native plant inventory and control programs service-wide. Total fiscal year 2006 request for BLM + Forest Service = \$15.4 million over fiscal year 2005 budget

*Native Plant Materials Development*

This crucial program should be funded at a minimum of \$10 million.

We hope that you will take these proposals and issues into account as you formulate budgets for fiscal year 2006 and beyond. Thank you for the opportunity to present this request.

NPCC AFFILIATES

Arizona-Sonora Desert Museum; Arizona Native Plant Society; Botanic Gardens Conservation International (BGCI); California Native Plant Society; California Oak Foundation; Center for Biological Diversity; Colorado Native Plant Society; Florida Native Plant Society; Grand Prairie Friends of Illinois; Herb Society of America; Idaho Native Plant Society; Iowa Native Plant Society; Kauai Native Plant Society; Lady Bird Johnson Wildflower Center; Maryland Native Plant Society; Minnesota Native Plant Society; Missouri Native Plant Society; Montana Native Plant Society; Native Plant Society of New Mexico; Native Plant Society of Northeastern Ohio; Native Plant Society of Oregon; New England Wild Flower Society (NH, CT, RI, MA, ME, VT); New Mexico Rare Plant Technical Council; North Carolina Botanical Garden; North Carolina Wild Flower Preservation Society; Oklahoma Native Plant Society; South Carolina Native Plant Society; Ticonderoga Arboretum and Botanical Gardens, VA; Utah Native Plant Society; Virginia Native Plant Society; Washington Native Plant Society; West Virginia Native Plant Society; and Wyoming Native Plant Society.

NPCC COOPERATORS

Botresearch USA; CalFlora Database; California Trout; Center for Native Ecosystems; Defenders of Wildlife; Endangered Species Coalition; Forest Service Employees for Environmental Ethics; Pacific Rivers Council; PlantaEuropa; PlantLife, UK; Public Employees for Environmental Responsibility T&E Inc.; and Xerces Society.

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PREPARED STATEMENT OF THE NORTHERN FOREST ALLIANCE

On behalf of the Northern Forest Alliance, a coalition of fifty non-profit organizations, I would like to offer testimony in support of fiscal year 2006 Forest Legacy Program and Land and Water Conservation Fund (LWCF) projects in the Northern Forest totaling \$21.667 million and \$7.55 million, respectively. We hope to see these projects included in the fiscal year 2006 Interior and Related Agencies Appropriations Bill, and have listed them in two tables at the end of this testimony.

Even in the face of challenging fiscal times, we feel that the federal government would greatly advance the public good by continuing to invest in Northern Forest conservation. The Northern Forest is a rural region of 26 million acres stretching from the Tug Hill Plateau in New York through the Adirondacks, northern Green Mountains and northern White Mountains, and into northern Maine. The Northern Forest is truly a place out of time that has retained its rural character and resource-based economy in the face of overwhelming changes in the broader eastern landscape.

For example, forest products remain the largest industrial sector in the Northern Forest. The forest products industry in Maine alone contributes \$6.5 billion annually to the Northern Forest economy with wages and salaries of more than \$1 billion. To maintain this important economic activity, many of the Forest Legacy projects in our region have been designed to maintain working forests that might otherwise be converted for private development. The Katahdin Ironworks project in Maine, for

example, has already put \$200,000 into local payrolls from timber harvest on the project site. Timber harvest from the Adirondack Working Forest Easement (IP Lands) project in New York will feed a mill in Ticonderoga that employs 500 people—the only remaining large mill in Adirondack Park.

Like other rural regions across the country, the Northern Forest is also seeking to diversify its economy through tourism and other measures. Tourism has already grown to include 10 percent of all Northern Forest jobs, with a payroll of \$455 million. All of the fiscal year 2006 Forest Legacy and LWCF projects in the Northern Forest would have a significant impact on tourism. The Machias River, Phase II project in Maine's Downeast Lakes exemplifies this significance. The project will help conserve 20 percent of the remaining Atlantic salmon habitat in the country, maintain access to the famed Machias River canoe trip, and create permanent public access to backcountry campsites and river access points across more than 7,000 acres. While more than 329,000 acres surrounding the Machias River project area are being conserved specifically to maintain the Downeast Lakes' forest products industry, the Machias River project will help bring anglers, paddlers, and other tourists to this beautiful region.

The LWCF projects for the Silvio Conte National Wildlife Refuge, Lake Umbagog National Wildlife Refuge, and Green Mountain National Forest would have similar positive impacts on tourism. The Conte and Umbagog National Wildlife Refuges have brought previously unimagined levels of tourism and related economic benefits to rural towns like Island Pond, Vermont and Errol, New Hampshire. Through our Businesses for the Northern Forest, we have worked with these towns and others to help them remain important hubs for the forest products industry while also developing other tools such as gateway tourism amenities that will support diversified economic growth. In a sign of how much towns across the Northern Forest are embracing land conservation as part of their economic future, the town of Pownal voted to approve the Green Mountain National Forest project included in our list by a two to one margin last year. The fiscal year 2006 funding would complete the USFS acquisition of the Broad Brook property, an area of over 3,900 acres that serves as a critical water supply area for local communities and is valued by locals and visitors alike for its extended section of the Long Trail.

The Northern Forest is also a vital investment area for America to conserve important wildlife habitat and public water supplies. The Northern Forest is critical habitat for many forest-dependent species, most notably birds. The Northern Forest is part of "BCR 14", an internationally significant bird breeding habitat that produces more than a third of global populations of some familiar species like the black-throated blue warbler. The region is also the headwaters of virtually every major river in the Northeast, including the Hudson, Connecticut, and Androscoggin. These rivers meet the needs of major population centers along the coast as well as local communities, and investing in land conservation around the headwaters of these rivers conserves public dollars that would otherwise be needed for water treatment costs.

The Forest Legacy and LWCF project funding that we are requesting is made necessary by a relentless string of large land sales in the Northern Forest that are destabilizing the land base while upsetting local economies and community traditions alike. As recently as 1990, 51 percent of the Northern Forest land base was in the hands of large private landowners, primarily timber companies with long ties to the region and long-term management goals. In just the last 6 years a full 25 percent of the region—7 million acres—has changed hands. According to the North East State Foresters Association, more than 3 million acres of that land have passed from traditional industrial timber owners to new classes of owners, such as Real Estate Investment Trusts, that have short-term investment horizons, increased willingness to use development and other different methods of producing revenue, and less affiliation with local communities.

These changes have led to widespread mill closings, liquidation harvesting, and new development in formerly consolidated timberlands. These changing ownerships have also led to new restrictions on public access to private forestland that greatly impact hunters, snowmobilers, hikers, skiers, and others. For example, the Vermont Department of Fish and Wildlife reports a remarkable 1,287 percent increase in posted land just since 1991.

It is imperative that the states and federal government continue to partner to accomplish conservation projects through Forest Legacy and LWCF that can help maintain the Northern Forest's economy, communities, and natural resources. Funding the projects listed below would help assure that as inevitable changes hit the Northern Forest, we are able to utilize this time of transition to conserve and maximize the region's natural assets as the basis for a bright future.

[In millions of dollars]

Project	Amount
Fiscal year 2006 Forest Legacy Projects Supported by the Northern Forest Alliance (Order reflects rank in President's Budget):	
Katahdin Ironworks (ME) .....	5.000
Machias River, Phase II (ME) .....	3.000
IP Lands/NY Working Forest Easement (NY) .....	5.000
Green Mountain Wildlife Corridor (VT) .....	1.050
Rossvie (NH) .....	2.000
Willard Pond (NH) .....	2.500
Orange County Headwaters (VT) .....	1.542
Adams Pond (VT) .....	.875
Tumbledown Mountain (ME) .....	.700
Total .....	21.667
Fiscal year 2005 LWCF Projects Supported by the Northern Forest Alliance (Order reflects rank in President's Budget):	
U.S. Fish and Wildlife Service:	
Lake Umbagog NWR (NH) .....	.750
Silvio Conte NWR (VT/NH/MA/CT) .....	3.300
U.S. Forest Service:	
Green Mountain National Forest (VT) .....	3.500
Total LWCF .....	7.550

Note.—Italicized projects not included in President's Budget.

These projects represent the best that our region has to offer, only a piece of the total range of ripe projects across the region. In appreciation of the severe constraints on federal resources for the upcoming fiscal year, we have gone through careful evaluation to develop this prioritized set of time-sensitive strategic investments that will leverage other funding sources and deliver critically important public benefits. We would be grateful for your consideration of this testimony as you go through the appropriations process.

#### PREPARED STATEMENT OF THE OUTDOOR INDUSTRY ASSOCIATION

Outdoor Industry Association urges the subcommittee to fund the Land and Water Conservation Fund (LWCF) State Assistance Program at \$100 million for fiscal year 2006 and the Urban Park and Recreation Recovery Program (UPARR) at \$60 million for fiscal year 2006. We also urge adequate funding for the federal LWCF program.

Outdoor Industry Association (OIA) is a national trade association whose mission is to ensure the growth and success of the outdoor industry. A wide spectrum of leading manufacturers, distributors, suppliers, and retailers of outdoor recreation equipment and services, as well as other related business entities make up OIA's membership. OIA programs include representation in government/legislative affairs, cutting edge market research, member cost-saving benefits and consumer outreach initiatives to grow participation in outdoor activities and promote healthier lifestyles. Conferences including the annual Outdoor Industry Rendezvous and the Capitol Summit in Washington, D.C. are hosted by OIA. Outdoor Industry Association is the exclusive endorser of the Outdoor Retailer tradeshow.

The outdoor industry is made up of over 4,000 businesses with 500,000 employees in all 50 states, generating \$20.1 billion in sales every year. Last year 159 million Americans participated in outdoor recreation, with the greatest numbers in the gateway activities of hiking, biking, camping and paddling.

The LWCF stateside assistance and the Urban Parks and Recreation Recovery programs are vital for providing recreation experiences and healthy lifestyle options to all Americans. Stateside LWCF and UPARR are the government's primary investment tools for ensuring that kids and families have access to outdoor recreation activities. The stateside program has 40 years of strong success as one of America's most effective federal/state recreation and conservation partnership programs. Since its inception, LWCF has underwritten the development of more than 40,000 state and local park and recreation projects, touching 98 percent of the counties in the United States.

The Land and Water Conservation Fund was established by Congress in 1964 to meet America's needs for outdoor recreation opportunities, wildlife habitat conservation and open space. According to the Congressional Research Service, through fiscal year 2004, \$27.2 billion has been credited to the Land and Water Conservation Fund, but only \$13.8 billion has been appropriated.

We encourage the subcommittee to consider the following as it works on funding levels for programs under its jurisdiction for fiscal year 2006:

- 69 percent of the American population, or 159 million people, participate in outdoor recreation each year.
- Parks and recreation facilities drive a \$20.1 billion industry.
- In fiscal year 2004, Stateside LWCF funded nearly 600 state and local park projects across the nation, improving quality of life for millions of Americans.
- The documented unmet need for state and local park facilities is \$836 million.
- “Exploring the Active Lifestyle”, research conducted by Harris Interactive for Outdoor Industry Foundation, found that hiking, biking and camping are gateway activities to an active lifestyle.
- The same research showed that if children start early, these behaviors will be engrained, leading to healthier, active lives.
- The stateside LWCF program increases the opportunities and availability of trails, parks, and other outdoor recreation in local communities.
- 61 percent of U.S. adults are overweight.
- According to a Task Force on Community Preventive Services, increased accessibility of open space can boost physical activity by 25 percent.
- The LWCF program helps ensure that this and future generations of Americans can have quality outdoor experiences in America's Great Outdoors.

In the fiscal year 2003, 2004, and 2005 Interior Appropriations bills, Congress stepped back from a deal struck in 2001 to increase dollars for these programs through the Conservation Spending Category. Instead of steadily increasing programs as outlined in 2001, many programs have seen significant decreases. Both federal and stateside LWCF have lost ground, and UPARR has been zeroed out. The President's proposed budget eliminates funding for both stateside LWCF and UPARR in fiscal year 2006. The elimination of the LWCF State Assistance Program is of significant concern to the outdoor business community; we urge the Subcommittee to reject the President's recommendation to zero-out stateside LWCF.

#### LWCF AND UPARR FUNDING HISTORY

[In millions of dollars]

	Fiscal year					Our request fiscal year 2006
	2001	2002	2003	2004	2005	
Land and Water Conservation Fund:						
Federal LWCF .....	\$450.0	\$429.0	\$313.0	\$176.0	\$167.0	\$450.0
Stateside LWCF Grants .....	90.0	144.0	97.0	94.0	92.5	100.0
Urban Park Recreation and Recovery (UPARR) ..	30.0	30.0	.....	.....	.....	60.0

OIA strongly encourages the Senate Interior and Related Agencies Appropriations Subcommittee to invest in healthier communities through the LWCF State Assistance Program and the Urban Park and Recreation Recovery Program, and in backcountry recreation opportunities through the federal LWCF. We look forward to working with you to provide adequate funding for these important programs in fiscal year 2006.

#### PREPARED STATEMENT OF THE SOCIETY OF AMERICAN FORESTERS

The Society of American Foresters (SAF), representing over 15,000 professional foresters, supports sound management and stewardship of our nation's forest resources. SAF urges Congress to provide consistent, long-term funding to better enable long-term management of the nation's forest lands, both public and private, so our forests continue to provide desired values and benefits over the long-term. We offer the following suggestions to facilitate improved stewardship and management of federal forest lands and provide family forest owners with the tools to better manage their lands. Given the understandable restrictions on the length of our testimony, we do not offer the in-depth analysis we normally provide but would be pleased to offer further detail upon request.

[In millions of dollars]

Discretionary appropriations	Fiscal year		2006 SAF recommendation
	2005 enacted	2006 proposed	
Forest and Rangeland Research <sup>1</sup> .....	220.4	216.7	220.4
Forest Inventory and Analysis <sup>2</sup> .....	60.9	73.4	73.4
State and Private Forestry Total <sup>1</sup> .....	<sup>3</sup> 287.6	248.7	305.9
Forest Health Management—Federal .....	54.2	50.0	54.2
Forest Health Management—Cooperative .....	47.6	22.3	47.6
State Fire Assistance .....	<sup>3</sup> 32.9	20.9	32.9
Volunteer Fire Assistance .....	5.9	5.9	5.9
Forest Stewardship Program .....	32.3	37.0	37.0
Forest Legacy Program .....	57.1	80.0	70.0
Urban and Community Forestry .....	31.9	27.5	31.9
Economic Action Programs .....	19.0	.....	20.0
International Forestry .....	6.4	5.0	6.4
National Forest System Total .....	<sup>4</sup> 1,380.8	1,651.4	1,651.4
Land Management Planning .....	63.2	59.1	59.1
Inventory and Monitoring .....	167.3	167.0	167.0
Forest Products .....	273.2	278.3	278.3
Wildland Fire Management Total .....	<sup>5</sup> 1,703.0	<sup>6</sup> 1,725.3	1,775.3
Preparedness .....	<sup>7</sup> 668.6	676.5	676.5
Fire Operations .....	648.8	700.5	700.5
Hazardous Fuels .....	262.5	281.0	281.0
Rehabilitation and Restoration .....	12.8	2.0	12.8
Fire Research and Development <sup>8</sup> .....	21.7	16.9	21.7
Joint Fire Sciences Program .....	7.9	NS	10.0
Forest Health Management—Federal .....	14.8	7.0	14.8
Forest Health Management—Cooperative .....	9.9	4.6	9.9
State Fire Assistance .....	40.2	29.4	40.2
Volunteer Fire Assistance .....	7.9	7.9	7.9
Capital Improvement and Maintenance Total .....	<sup>9</sup> 514.7	380.8	391.2
Facilities .....	<sup>10</sup> 198.8	117.8	117.8
Roads .....	226.4	189.6	200.0
Deferred Maintenance .....	13.8	9.8	9.8

<sup>1</sup> This line does not include funding for FIA, as it is broken out in a separate line.<sup>2</sup> This includes funding allocated under S&PF and Research in the proposed budget.<sup>3</sup> This figure does not include \$49 million in emergency & supplemental appropriations.<sup>4</sup> This figure does not include \$16 million in emergency funding.<sup>5</sup> This figure does not include \$12.1 million in emergency and supplemental funding.<sup>6</sup> This figure does not include \$426 million in emergency and supplemental funding.<sup>7</sup> The figure includes hazardous fuels funding, which the budget proposes to move to National Forest system.<sup>8</sup> This figure does not include \$8 million for Joint Fire Sciences, as we chose to separate JFS as another line item.<sup>9</sup> Includes regular appropriations and supplemental appropriations.<sup>10</sup> This figure does not include \$60.8 million provided in emergency and supplemental funding.

**State and Private Forestry.**—SAF believes that the proposed budget's lack of support for family forests is not in the nation's interest and urges Congress to recognize its negative implications. While managing federal lands is extremely important, especially given the record levels of fuel buildup and insect and disease problems, management needs on over 393 million acres of private forest lands cannot be ignored if we expect to sustainably manage forests at landscape and watershed levels. Through federal appropriations, state agencies, non profit organizations, and individual landowners leverage millions of dollars to achieve management goals on family-owned forest lands, and at the same time, provide essential public benefits, particularly watershed protection and wildlife habitat.

**Forest Health Management.**—SAF believes that the 53 percent decrease in funding proposed for forest health management on state and private lands under the State and Private Forestry and the Wildland Fire Management Accounts will inhibit responsible land stewardship. Again, the proposed budget appears to ignore the role of state and private forest lands in reducing the threat of invasive species, insects, and diseases in our forests. Without treatment, these threats can easily spread to other lands and can also result in increase fire risk, threatening homes, lives, and other values. These funds allow the states and private landowners to survey for these threats and treat them in a timely manner to prevent further damage to our public and private forests.

*State Fire Assistance.*—The over 30 percent decrease proposed in the fiscal year 2006 budget for State Fire Assistance will severely limit protection of the nation's forests. Decreased funding of this magnitude will threaten the nation's capacity to ensure those who are often the first to respond to wildfires on both federal and non federal lands have the resources and training to do so. Lives, communities, property, and our forest resources rely on the protection and preventative treatments accomplished with State Fire Assistance funding. SAF recommends continued funding for this program through Wildland Fire Management and State and Private Forestry at fiscal year 2005 enacted levels.

*Forest Stewardship Program.*—SAF strongly supports the increase in the proposed budget for the Forest Stewardship Program. Developing a stewardship plan is a critical first step in enabling family forest owners to sustainably manage their forests and meet their own objectives while at the same time providing numerous public benefits. SAF encourages a more strategic approach to this program at both the federal and state level, where program funds are targeted at those forest lands faced with priority issues such as wildfire risk, invasive species, insect, or disease threats, endangered species habitats, and development pressure. With this targeted approach, Stewardship plans can be developed to address priority issues and subsequent educational, technical, and cost-share assistance can be targeted to address these priorities. This will make better use of federal dollars and leverage funding from other landowner assistance programs such as the Forest Land Enhancement Program and the Forest Legacy Program as well as non-federal resources.

*Forest Legacy Program and Land Acquisition.*—SAF continues to be extremely concerned with the growing threat of loss of our nation's forest lands through conversion to non-forest uses, fragmentation, and parcelization into tracts that are too small to manage. The Forest Legacy Program helps landowners keep their land as a working forest which provide public benefits through retention of forests for watershed protection, wildlife habitat and other diverse values. We recommend \$70 million for this program, which is less than the proposed budget request, in consideration of the overall current budget deficit. The budget should achieve balance between programs that help avoid conversion of forests to non forest uses and programs that help family forest owners sustainably manage their lands, and implement practices that address imminent threats. We also recommend shifting some funds from the Land Acquisition account to programs that encourage private forest stewardship. While there is certainly a need for the federal government to acquire strategically important forest lands, particularly key inholdings, we believe that, given the current fiscal constraints, federal land acquisition funds will be better spent by encouraging family forest owners to retain ownership and improve the long-term management of their lands.

*International Forestry.*—Through this program, the Forest Service provides assistance to other countries striving towards sustainable forest management. Additionally, the program fosters partnerships across borders to help achieve common resource objectives. SAF supports funding this program at fiscal year 2005 enacted levels.

*National Forest System.*—The National Forest System lands, comprising over one-quarter of the nation's forested lands, are increasingly important to the nation's economic and social well-being. It is critical that these lands be managed in a way that provides for their long-term health and productivity. SAF supports the funding levels proposed in the fiscal year 2006 budget for land management planning, inventory and monitoring, and forest products. These funding levels, along with anticipated improvements in the land management planning process and other new authorities, will improve the ability of forest managers to use proven silvicultural practices to address forest health and other issues on federal lands.

*Woody Biomass Utilization.*—The utilization of woody biomass can offer a long-term solution to reducing fuel loads and addressing other forest management needs on public and private forests. Utilization of biomass can reduce costs of projects designed to improve our forests, particularly in wildfire-prone areas and can also foster economic growth in areas where there are limited markets for this type of material. Often, the high costs and limited infrastructure associated with biomass removal prevents the efficient use of these materials. SAF recommends providing \$10 million of Forest Service hazardous fuels funding for grants to create incentives for biomass utilization from national forest lands, and recommends non-federal lands be explicitly included in this grant program. While biomass utilization should certainly be encouraged on federal lands, the surrounding non-federal lands can offer a consistent and adequate supply of biomass materials to stimulate investments in infrastructure for utilizing biomass from federal lands. In addition, SAF urges creation of opportunities for woody biomass utilization on other federal lands and tribal lands.

*Wildland Fire Management.*—While federal land management agencies and their non-federal partners continue to make progress in reducing the threat of catastrophic wildfire, we remain concerned regarding the adequacy of wildfire suppression funding. It is difficult to predict wildfire suppression expenditures and when expenditures are underestimated, the agencies are forced to borrow from other accounts disrupting federal and non federal land management and, in fact, often taking from the very accounts that help prevent catastrophic wildfire through fuels treatment. SAF strongly urges a long-term solution to this problem with mechanisms for cost containment and accountability.

SAF also recommends funding rehabilitation and restoration at the fiscal year 2005 enacted level of \$12.8 million. SAF supports appropriate and timely efforts to rehabilitate and restore forests after wildfires and other catastrophic events. Timely rehabilitation can restore damaged watersheds and reduce the risk of long-term soil loss from surface erosion and landslides. The removal of dead and dying trees in certain areas can reduce potential for subsequent fires and recover some of the economic value of the forest.

*Forest and Rangeland Research.*—The Forest Service's long-term and short-term research is a critical component of forestry research in the United States. The program helps maintain forest science capacity within the Forest Service and its partners and helps identify solutions to many of the forestry problems we face as a nation. Equally important is the transfer of research information to forest managers and land owners to implement new findings and solutions on the ground. We recommend funding this program at fiscal year 2005 levels and support the proposed focus on technology transfer. We encourage the Agency to utilize existing mechanisms such as State and Private Forestry Programs and Extension Agents at universities across the country to achieve this goal.

*Forest Inventory and Analysis Program.*—The Forest Inventory and Analysis program is the only nationwide effort that monitors the extent, condition, uses, impacts of management, and health of forest ecosystems across all ownerships in the United States. This comprehensive analysis provides the basis for improved forest policy and forest management decisions and can provide warning of imminent problems such as loss of forest land to non forest uses, the long-term consequences of invasive species and insect and disease outbreaks, and losses due to catastrophic wildfire. SAF strongly supports the increase proposed in the fiscal year 2006 budget, and urges full implementation of the program with coverage of each state and annual reporting in a timely manner.

*Department of the Interior, Bureau of Land Management (BLM).*—The BLM manages 55 million acres of forest lands, approximately 5 percent of all forestlands in the United States, of which 16 million acres are in need of restoration treatments including mechanical thinning, hazardous fuels reduction and tree species reintroduction to halt the spread of invasive species. SAF supports the BLM in its efforts to improve conditions on these forestlands through the BLM's Public Domain Forest Management Program funds. In addition to providing funding for treatments on BLM land, this Program also helps to ensure BLM has professional forestry expertise on its staff to make sound forest management decisions. SAF supports funding this program at the fiscal year 2006 proposed level, \$10.6 million.

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#### PREPARED STATEMENT OF THE TOWN OF GREENVILLE, MAINE

I am Town Manager for the Town of Greenville, Maine, and am pleased to submit this testimony in support of the State of Maine's Katahdin Iron Works (KIW) Forest Legacy Project, and to specifically request a \$5 million appropriation from the Forest Legacy Program for the KIW project. As you know, this funding has been proposed in the President's budget for fiscal year 2006 for the Forest Legacy Program, and the KIW project is ranked 4 in the nation.

The funding proposed for this project will allow the state of Maine to purchase a conservation easement over 37,000 acres of critically located land about nine miles east of Greenville. The property is bisected by the Appalachian Trail and includes land around Gulf Hagas, the Barren/Chairback Mountain Range, a significant stretch of the Class A West Branch of the Pleasant River, and many other important natural and recreational features.

When the Appalachian Mountain Club (AMC) purchased this property in 2003, residents of Greenville were extremely pleased because that organization had already been working with us to fashion a sustainable future through enhanced outdoor recreation opportunities. The Forest Legacy project proposed at KIW will ensure that Greenville and other towns in the region can maintain continued economic vitality in the face of changing markets. This project has garnered significant local



support because it protects the spectacular landscape that makes our region so special, creates new recreational opportunities for the public, and secures the future of this property as a working forest. In our view, these goals strike the right balance between conservation of important natural resource lands and economic development that comes from those lands.

Just last month, the benefits of AMC's ownership of the KIW property has proven beneficial to the future economic growth of Greenville as it relates to outdoor recreation. We hosted the 1st Annual 100-Mile Wilderness Dog Sled Race, which ran from Greenville to Brownville and back directly across AMC's land and along trails they helped construct. The race was a huge success, drawing 11 mushers with teams of up to a dozen dogs from several states and territories. We expect growth in this event next year and are extremely excited about its impact on our economic growth. Had the KIW property been sold on the open market and subdivided or closed to public use, our future would look much less favorable.

With a Forest Legacy Program conservation easement that ensures permanent public access, sustainable forestry and recreational opportunities, the KIW project fits in well to our community's future and we urge your support.

We hope that you will provide \$5 million to ensure the success of this effort in the fiscal year 2006 Interior appropriations bill.

Thank you for the opportunity to present this request.

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#### PREPARED STATEMENT OF THE WILDERNESS SOCIETY

##### INTRODUCTION

The Wilderness Society appreciates this opportunity to submit testimony on the President's fiscal year 2006 budget appropriations for wildfire management. As this committee is certainly aware, appropriations to the agencies responsible for managing public lands are divided into discrete categories, each representing a specific set of activities to be accomplished. We have three broad concerns about fiscal year 2006 proposed appropriations: ongoing suppression funding problems, implementation concerns related hazardous fuels treatments, and insufficient funding for State & Local Assistance programs. Much of the background data presented in this testimony comes from a forthcoming report by The Wilderness Society entitled *Following the Money: Implementation of the National Fire Plan*. In this report, empirical data on funding and reported accomplishments was gathered from the USDA Forest Service's Washington Office, Region 2, and two National Forests in Colorado: The Arapaho/Roosevelt and the Pike/San Isabel. Additionally, funds and accomplishments were tracked through the Colorado State Forest Service.

##### SUPPRESSION

The biggest problem plaguing effective funding of long-term wildland fire management goals is the cycle of suppression appropriations, over-spending, borrowing, and partial repayment. With suppression funding accounting for approximately 70 percent of all Wildland Fire Program (Title IV of the Forest Service's budget) dollars spent, many have identified it as a primary source of concern. Current incentives do not encourage cost savings, and fire managers on the ground have something of a "blank check mentality". For example, in fiscal year 2003, which was a relatively mild fire year, the FS was appropriated a total of \$351.9 million for suppression, including Congressionally authorized emergency appropriation funds. Still, suppression expenditures for that year were \$1,023 million, leaving a \$671.1 million shortfall which was covered only by transferring money out of other National Forest accounts. As the GAO noted in a recent report, when money is transferred out of other fire accounts, projects are frequently delayed or cancelled.

We are aware that this committee is considering a proposal to authorize the creation of emergency accounts for suppression should expenditures again exceed appropriations. While this will likely reduce the negative impacts associated with suppression transfers, the solution is both short-term and inadequate. We urge the committee to consider more systemic and lasting changes to the current process of funding fire suppression. Only when suppression spending is contained will more proactive fire management activities be adequately funded.

##### HAZARDOUS FUELS

Funding for hazardous fuels reduction has again seen an increase in the fiscal year 2006 proposed budget. Increases are apparent both for the Forest Service and for the Department of Interior, suggesting an ongoing commitment to treating fuels and an effort to implement the ideals embodied in the Healthy Forest Restoration

Act (2003). The Wilderness Society supports the treating of fuels in the places where it will effectively protect communities. However, current methods for funding this program and tracking accomplishments hamper efforts to achieve the desired outcomes.

First, effective planning requires realistic cost estimates for the work, but the current method for estimating costs is deeply flawed. Most cost estimates are given in a cost per acre format, even though costs in the southeast are vastly different from those in the west. Estimates in the literature range from \$31–\$2,500, making any average essentially meaningless. Even two forests located along Colorado's Front Range, the Arapaho-Roosevelt (ARNF) and the Pike/San Isabel (PSI), show highly variable costs. In fiscal year 2003, the ARNF was allocated approximately \$3.6 million for hazardous fuels reduction treatments; they treated nearly 5,000 acres, 87 percent of them in the Wildland-Urban Interface (WUI), and were able to use prescribed burning for 63 percent of the work. By contrast, the PSI got \$5.8 million (60 percent more than the ARNF), treated 18,869 acres (280 percent more than the ARNF) with similar WUI and prescribed burning percentages as the ARNF. The bottom line of these wildly different outputs is that it cost the ARNF \$736.74 per acre, more than double the \$311.14 it cost the PSI. As a result, the two neighboring forests are able to accomplish a vastly different amount of work with only slightly different pots of money.

Explanations for this disparity have been many and varied. Whatever the reason, these two forests are located in very similar forest types, have extensive Wildland-Urban Interface areas, and are able to burn as opposed to mechanically treat approximately the same proportion of acres; the difference in cost/acre highlights the tremendous variability in costs and accomplishments even within a limited geographic area. More research must be devoted to understanding the factors that influence costs, and thereby increase the agency's ability to accomplish more work with limited funds.

Second, the agencies report the number of acres they treat, and track these acres both by method of treatment (prescribed fire or mechanical means) and location (priority Wildland-Urban Interface, or "other"). More recently, they have also begun to record fire regime and condition class changes. In many cases, acres get counted twice or even three times. A single WUI acre might be thinned one year, burned the next, and contribute to a landscape-scale condition class change. Most readers of the data would easily conclude that three times as much terrain had actually been treated, since the treatment of that single acre would appear in several columns over two different years.

Current incentive structures thus strongly favor the treatment of a high number of acres, without requiring consistent priority-setting across National Forests. Treating acres that may not represent the highest hazard but help elevate accomplishment data is clearly inadequate. In the absence of more rigorous efforts to prioritize hazardous fuels reduction treatments, projects are often selected for reasons such as safety of treatment and lack of local objection. Funding for hazardous fuels reduction must be matched with careful priority-setting, reliable record-keeping, and transparent reporting of accomplishments.

#### STATE & LOCAL ASSISTANCE

In 2001, federal planners identified 11,376 "communities at risk" (66 FR 751–777) as an indication of the extent of the land ownership problem facing fire managers. Since fire doesn't recognize ownership boundaries, private land must be integrated into landscape-scale problem definition and fire management planning. State forest officials therefore have a fundamental role to play in ensuring that public fire managers work across ownership lines.

Funding hazardous fuels reduction exclusively on federal lands is incomplete and will ultimately undermine program success. The President's fiscal year 2006 budget actually decreases funding allocated to State & Local Assistance, reducing it to a mere 3 percent of total money in the National Fire Plan. The Forest Service estimates that 59 million private acres in the "community protection zone" are at high risk, but the agency is powerless to address fuel treatment needs there with such limited funds. Increasing funding to state and private entities will go a long way toward communicating commitment, reducing fire risk and building capacity to bridge the public-private divide.

#### CONCLUSION

The current Administration has focused much of its rhetoric around the wildfire issue on protecting communities and yet, they continue to make dramatic cuts to State and Local Assistance programs. Even though up to 85 percent of the land

around communities at the highest risk is state or private, resources going to non-federal lands continue to decrease.

The Wilderness Society recommends the following fiscal year 2006 funding levels for National Fire Plan State and Local Assistance programs:

- State Fire Assistance*.—Provides technical and financial assistance to states for grants and agreements with communities to implement fire protection activities, including the removal of hazardous fuels, fire prevention campaigns, personnel training, equipment availability and FIREWISE—a public education program developed by the National Wildland Fire Coordinating Group to assist communities located near fire-prone lands. Funding for this program has ranged from \$72 million to \$84 million since 2001. The Wilderness Society recommends \$84 million for fiscal year 2006.
- Community and Private Land Fire Assistance*.—Established to help western communities recover from the 2000 fire season and for assistance to areas threatened by wildfire. This program has not been funded since fiscal year 2001 and The Wilderness Society recommends \$35 million for fiscal year 2006.
- Rural Fire Assistance*.—Targeted to communities of less than 10,000 people, this DOI program provides technical expertise, training, supplies, and materials, equipment and educational activities to fire departments. The Wilderness Society recommends \$10 million for fiscal year 2006.
- Volunteer Fire Assistance*.—Provides technical and financial assistance for grants with rural communities for the protection of more than one billion acres of state and private lands, targeted to volunteer fire department in communities of less than 10,000 people. The Wilderness Society recommends \$14 million for fiscal year 2006.
- Economic Action Program*.—Facilitates and fosters sustainable community development opportunities utilizing the wood removed through hazardous fuels reduction treatments. The Wilderness Society recommends \$40 million for fiscal year 2006.

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#### PREPARED STATEMENT OF THE WILDERNESS SOCIETY

Mr. Chairman, The Wilderness Society (TWS) would like to thank you for the opportunity to provide recommendations and comments on the fiscal year 2006 Department of the Interior and Related Agencies Appropriations bill. On behalf of the more than 250,000 members and supporters of TWS, a 70-year-old organization dedicated to preserving America's last remaining wild places, I provide below our fiscal year 2006 funding recommendations for a number of important conservation programs. Our top priorities include:

- Continuation and full funding for the Interior portion of the Conservation Trust Fund (Land Conservation, Preservation and Infrastructure Improvement Fund) at \$1.8 billion;
- Within the Conservation Trust Fund, \$450 million for Land and Water Conservation Fund federal land acquisition;
- Within the Conservation Trust Fund, reinstate the Land and Water Conservation Fund state-side to a minimum of last year's level: \$92.5 million; and
- Within the Conservation Trust Fund, \$80 million for the Forest Legacy program.

We also urge you to maintain the integrity of both the Conservation Trust Fund, and of the Land and Water Conservation Fund contained within it.

Adequate funding for the programs discussed below is vital to protect America's wild areas and environmental values, essential components of our American identity and our heritage. The land and our relationship with it infuse our history, our heroes, and our hearts. We hope to work with you to find the resolve and funding to protect those values that are a national birthright.

#### CONSERVATION TRUST FUND

In 2000, a bipartisan Congress enacted a roughly \$2 billion-per-year dedicated conservation funding mechanism called the Conservation Trust Fund. This fund was designed to ensure that, in good times and in bad, the country always had adequate federal resources to meet our most important conservation, recreation, wildlife and preservation needs. Unfortunately, the administration's new budget has abandoned the Conservation Trust Fund mechanism, underfunding the lands and wildlife portion of its programs by nearly \$1 billion, with the result that, across the nation, our parks, forests, wild lands and wildlife will suffer. We respectfully urge the Subcommittee to provide full funding for its portion of the Conservation Trust Fund (CTF) at \$1.8 billion for fiscal year 2006.

## LAND AND WATER CONSERVATION FUND

The Land and Water Conservation Fund (LWCF) is our nation's premiere tool to create and preserve parks, forests, wildlife refuges and open space. For the first time, the administration does not even try to claim that it is fulfilling the president's campaign promise to fully fund LWCF at \$900 million. And while the administration says its budget funds the program at \$680 million, in reality the fiscal year 2006 budget provides only \$132 million for LWCF's core programs—funding federal land acquisition at \$130 million and eliminating stateside assistance. As it did last year, the budget then attempts to cloak this glaring shortfall by declaring more than a dozen other ongoing programs to be part of the LWCF. National treasures from the Everglades to our neighborhood parks will suffer from the resulting net loss in funds for expanding and consolidating parks, refuges and forests.

Within the CTF, we urge the Subcommittee to provide \$450 million for Federal Land Acquisition and reinstate state-side LWCF to last year's level: \$92.5 million. For decades, LWCF has been a premier tool to fund two things: federal land acquisition and the state assistance program. Again this year, in an attempt to make LWCF look "full", the Administration shoehorns in numerous additional unrelated programs. This was done to mask real cuts in funding for land acquisition. Funding in the President's Budget for National Park Service, Fish and Wildlife Service, Bureau of Land Management and U.S. Forest Service land acquisition is cut from a proposed \$220 million in fiscal year 2005 to \$130 million proposed for fiscal year 2006. Americans have long relied on federal land acquisition to protect and complete its parks, forests and refuges, and the Administration's cuts would result in smaller, more degraded lands and fewer recreation experiences—and the words "Land and Water Conservation Fund" would lose the meaning they have had since 1965.

We support the administration's requested project list for LWCF and Forest Legacy. In addition to the administration's projects, we recommend LWCF federal land acquisition funding for 42 priority projects for fiscal year 2006, listed in Table A. Federal acquisition of these lands is necessary to address immediate environmental threats with the potential for permanent damage, and to help protect and restore wildlands of significance (e.g. those with rare ecosystems, endangered species, and/or other special qualities).

*Forest Legacy.*—We support the President's fiscal year 2006 request of \$80 million for the Forest Legacy program and the administration's list of requested Forest Legacy projects. Authorized by Congress in 1990, the Forest Legacy program offers the opportunity for the federal government to work in partnership with states, local communities and private landowners to ensure that the multiple benefits found on forest lands—economic sustainability, wildlife habitat protection, and recreational opportunities—are secured for future generations. Since its inception, Forest Legacy has proven an extremely popular means to combat the loss of privately-owned timberlands to development. In fiscal year 2005, the approved funding level met just over 20 percent of national requests, resulting in lost opportunities to conserve critical private forestlands. For fiscal year 2006, project requests from states enrolled in the program totaled over \$200 million. This program is especially important in our eastern forests, where over 80 percent of forestlands are in private ownership and are increasingly threatened by sprawling development patterns.

## ADDITIONAL AGENCY APPROPRIATIONS RECOMMENDATIONS

*Fish and Wildlife Service.*—The National Wildlife Refuge System is suffering under a \$1.408 billion backlog in operations and \$1.3 billion backlog in maintenance. Consequently, we strongly recommend that funding to the Refuge System be increased over the fiscal year 2005 levels, in an effort to begin to counteract the massive backlogs. We urge the subcommittee to appropriate \$800 million for the Operations and Maintenance Program to carry out necessary repairs, fund staff positions, and support development of Comprehensive Conservation Plans.

*Bureau of Land Management.*—We support the Administration's proposal to raise approximately \$9 million from new user fees imposed on oil and gas operators on public lands to help defray the growing administrative costs of the oil and gas program. No BLM constituency group profits more handsomely from extracting resources from the public lands, nor demands more in terms of performance from the BLM, than does the oil and gas industry. We note that since 2000, funding for the BLM's oil and gas program has increased from \$55.3 million to \$87.3 million, all from appropriated funds. We also note that funding for other critical programs—such as wilderness management and fisheries and wildlife—have remained essentially flat during the same time period.

We urge the committee to increase the Administration's fiscal year 2006 budget for the National Landscape Conservation System (NLCS) by \$3.1 million, for oper-

ations and maintenance, to provide a total of \$46.6 million to conserve the unique National Monuments, Conservation Areas, Trails, Rivers, and Wilderness areas which the System encompasses. Since the System's inception five years ago, funding has ranged from \$38–\$42 million a year—never enough to meet the System's unmet needs. Priority needs include law enforcement and vandalism prevention, resource monitoring, cultural resource protection, and invasive species control. Even with the proposed increase in 2006 funding, the 26 million acre System will still receive less than \$1.80 an acre. We also urge the committee to add \$2.1 million to purchase inholdings in BLM National Landscape Conservation System (NLCS) areas which are threatened by development, including Oregon's Steens Mountain wilderness and Cascade-Siskiyou National Monument, and in Utah's Grand Staircase-Escalante National Monument. The fiscal year 2006 budget is particularly critical for the NLCS, as the BLM will need to implement at least 15 forthcoming Resource Management Plans for areas in the System in 2005 and 2006.

As stated, we support the President's priority projects for BLM land acquisition through the Land and Water Conservation Fund. We note that the President's request includes important projects that will improve ecosystem and wildlife health and recreational opportunities in the National Landscape Conservation System.

TABLE A.—RECOMMENDED FEDERAL LWCF PROJECTS FOR FISCAL YEAR 2006

State	Unit	Total project need
AL .....	Cahaba River NWR (AL) .....	\$1,000,000
AL .....	Alabama NFs (AL) .....	2,300,000
AR .....	Ouachita NF .....	1,300,000
AZ .....	Coconino NF .....	4,000,000
CA .....	Tahoe NF .....	2,500,000
CO .....	White River NF .....	500,000
CO .....	Uncompahgre NF .....	2,500,000
FL .....	Florida National Scenic Trail (FL) .....	3,000,000
FL .....	Suwannee Wildlife Corridor/Pinhook Swamp (FL) .....	3,000,000
GA .....	Kennesaw Mountain NBP .....	2,200,000
GA .....	Chattahoochee NF .....	3,000,000
GA, NC, SC .....	Chattanooga Wild & Scenic River (GA, NC, SC) .....	2,500,000
ID .....	Idaho WSR (phase I) .....	500,000
ID .....	Payette NF (phase II) .....	2,000,000
KY .....	Cumberland Gap .....	3,000,000
MA .....	Cape Cod NS .....	3,000,000
ME .....	Rachel Carson NWR .....	2,300,000
MN .....	Superior NF .....	<sup>1</sup> 2,000,000
MS .....	Gulf Islands NS .....	2,000,000
MS .....	Delta NF (MS) .....	2,300,000
MT .....	GYE .....	2,250,000
MT .....	Beaverhead-Deerlodge NF .....	3,000,000
MT .....	Flathead NF .....	10,600,000
Multi-state (NH/VT) .....	Silvio Conte NWR (multi-state) .....	3,300,000
NC .....	Uwharrie NF (NC) .....	500,000
NJ .....	E.B. Forsythe NWR .....	1,300,000
NJ .....	Great Swamp NWR (NJ) .....	1,000,000
OR .....	Pac NW Streams .....	<sup>1</sup> 550,000
PA .....	Flight 93 Memorial (PA) .....	4,200,000
RI .....	Trustum Pond NWR .....	2,150,000
TN .....	Chickasaw NWR .....	1,500,000
TN .....	Chickamauga-Chattanooga .....	2,000,000
TN .....	Tennessee Mountains (TN) .....	3,000,000
TN .....	Obed Wild and Scenic River (TN) .....	1,500,000
TX .....	Balcones NWR .....	1,900,000
USVI .....	Virgin Islands NP .....	850,000
UT .....	BST .....	3,000,000
VA .....	Jefferson NF-Black Lick, Rumley Branch (VA) .....	2,000,000
VT .....	Green Mtn NF-Broad Brook and others (VT) .....	3,500,000
WA .....	Mt. Rainier NP .....	<sup>1</sup> 1,500,000
WA .....	Mount Baker-Snoqualmie NF .....	1,300,000
WI .....	Chequamegon NF .....	<sup>1</sup> 2,700,000

TABLE A.—RECOMMENDED FEDERAL LWCF PROJECTS FOR FISCAL YEAR 2006—Continued

State	Unit	Total project need
Total .....	.....	81,550,000

<sup>1</sup> Part of a larger program.

## ENVIRONMENTAL PROTECTION AGENCY

### PREPARED STATEMENT OF THE ALLIANCE TO SAVE ENERGY

#### INTRODUCTION

The Alliance to Save Energy, a bipartisan, nonprofit coalition of more than 90 business, government, environmental, and consumer leaders, appreciates this opportunity to submit written testimony in support of a \$10 million increase for the Environmental Protection Agency's (EPA) Energy Star Program in fiscal year 2006. The Alliance's mission is to promote energy efficiency worldwide to achieve a healthier economy, a cleaner environment, and greater energy security. The Alliance, founded in 1977 by Senators Charles Percy and Hubert Humphrey, currently enjoys the leadership of Senator Byron Dorgan as Chairman; Washington Gas Chairman and CEO James DeGraffenreidt, Jr. as Co-Chairman; and Representatives Ralph Hall, Zach Wamp and Ed Markey and Senators Jeff Bingaman, Susan Collins and Jim Jeffords as its Vice-Chairs. The American Council for an Energy-Efficient Economy (ACEEE) also supports the recommendations in this testimony.

The Energy Star program is one of the government's most successful efforts to promote marketplace solutions to greater energy efficiency. The Energy Star program is an entirely voluntary program that reduces energy demand, lowers energy bills, and helps avoid greenhouse gas emissions. Increased investment by the federal government in the Energy Star program will translate to increased energy savings by taxpayers across the country. The EPA estimates that every federal dollar spent on the Energy Star program results in an average savings of \$75 or more in consumer energy bills; the reduction of about 3.7 tons of carbon dioxide emissions; an investment of \$15 in private sector capital; and the contribution of over \$60 to the economy.

The Energy Star program testifies to the important achievements that can be made through cooperative partnerships between government and businesses. The Climate Protection Partnerships Division at EPA, which operates the Energy Star program, works closely with manufacturers, retailers, building owners, and energy service providers, as well as state and local governments, nonprofits, and other organizations to promote energy-efficient products and buildings.

Energy efficiency is an investment. There is often a modest additional cost for purchasing more efficient, smarter technologies, but that additional cost is paid back many times to the consumer through lower energy bills. Energy Star helps consumers understand and realize these benefits. The label represents the "good house-keeping seal of approval." In order to qualify for the Energy Star label, a set of rigorous guidelines that represent high energy efficiency goals are established through the Energy Star program for the products or services of the participants. Last year alone, Americans, with the help of Energy Star, saved \$10 billion on their energy bills. Consumers can use these savings to invest in the economy, their families, and their future.

#### ENERGY EFFICIENCY IS AMERICA'S GREATEST ENERGY RESOURCE

Energy efficiency is America's greatest energy resource. It makes a larger contribution to meeting our energy needs than petroleum, natural gas, or coal. The Alliance to Save Energy estimates that energy efficiency gains since 1973 are now saving at least 40 quadrillion Btus of energy each year, or about 40 percent of our actual energy use. What's more, increasing America's energy efficiency is the quickest, cleanest, and cheapest way of meeting our energy needs. Without these enormous savings, our difficulties in meeting energy demand would be far, far worse than they are today.

For example, in 2004 alone, Energy Star helped Americans save 24,000 Megawatts of peak power, enough to avoid the need for 72 300-Megawatt power plants, and thus avoiding the use of electricity from some of the dirtiest, oldest power plants that come online during peak hours. Working together with Energy Star, Americans prevented the release of 30 million metric tons of greenhouse gas

emissions, which is equivalent to removing 20 million cars from the road. As these statistics exemplify, the Energy Star program is helping millions of Americans get the energy they need, while saving money and avoiding pollution.

#### HOW ENERGY STAR CAPITALIZES ON THIS RESOURCE

EPA's Energy Star program has proven to be an extremely effective way for this nation to capitalize on the potential of energy efficiency as a resource. Energy Star's voluntary partnership program—which includes Energy Star Buildings, Energy Star Homes, Energy Star Small Businesses, and Energy Star Labeled Products—works by removing marketplace barriers to existing and emerging technologies, providing information on technology opportunities, generating awareness of energy-efficient products and services, and educating consumers about life-cycle energy savings.

Two years ago, the Alliance to Save Energy undertook an extensive public opinion survey and found that the name recognition of the Energy Star program is very high—86 percent among U.S. homeowners. Approximately one-third of U.S. consumers report using the Energy Star label as an information tool for making purchase decisions; and an even higher number report using Energy Star as an information tool to help them save energy. Most consumers who are aware of the Energy Star label correctly understand that products bearing the Energy Star label use less energy and can save them money on energy bills.

#### ABOUT THE ENERGY STAR PARTNERSHIPS

Energy Star is composed entirely of voluntary partnerships, and these have grown since the early 1990s to include thousands of product manufacturers, private and public building owners and operators, homebuilders, small businesses, utilities, and retailers. These partnerships demonstrate that energy efficiency delivers “pollution prevention at a profit.”

Energy Star serves broad constituencies in every state in the country. Energy Star currently has more than 7,000 company partners who are committed to improving the energy efficiency of our homes, businesses and products. Among those partners are over 1,400 manufacturing partners who make and market over 32,000 different models of Energy Star qualifying products, and 550 retail partners representing 21,000 storefronts. Energy Star counts more than 2,000 builder partners and partners who supply products and services for energy-efficient home construction. More than 360,000 families now live in Energy Star Homes—locking in financial savings for homeowners of more than \$200 million annually. In fact, nearly 10 percent of all homes built in 2004 earned the Energy Star label.

As you may know, 2005 marks the fifth year that the Alliance has asked Energy Star company partners to join us in our request for a significant increase in funding for the program. The response has been remarkable. Joining us in our request this year are 620 companies and partners and another 25 individuals.

#### MUCH HAS BEEN ACCOMPLISHED, BUT HUGE POTENTIAL REMAINS UNTAPPED

Although the Energy Star program has made a significant contribution to reducing consumer energy use, a wide array of important, additional opportunities to use the program to promote energy remain untapped. Energy Star is a success, poised to provide more savings and enhanced environmental protection as soon as the government is ready and able to invest more.

In 2001, the President's National Energy Plan recommended that the Energy Star program be expanded and that the Energy Star labeling program be extended to cover more products. Time and again, the President and the Administrator of the EPA have noted that voluntary measures are vital to addressing climate change and have held up Energy Star as an exemplary program. Yet funding for the program has remained flat. The fiscal year 2006 proposed budget for Energy Star, \$50.5 million, is up less than 1 percent from last year, and is the same as the fiscal year 2002 appropriation. Worse, funding rescissions and internal cuts have plagued the program over the past several years. Even with tight federal budgets, the number of products and manufacturers in the labeling program has greatly expanded, and the number of partners in the Buildings, Homes, and Small Business programs has soared.

But more funds are needed. Considering the soaring energy prices around the country and the concerns about electricity reliability and pollution abatement, the Alliance believes that funding for the Energy Star program should be significantly increased for fiscal year 2006 and should be doubled over the next five years. This would enable the Energy Star program not only to add additional products and increase consumer education campaigns but also to address energy-efficient home improvements nationwide.

By building on the Energy Star name, we can save much more energy and break through additional market barriers, building homeowner trust in energy audit programs and whole-home retrofits, including insulation, duct sealing, and home envelope sealing. In addition to labeling products and buildings, Energy Star has begun a successful effort working with state and local organizations to help homeowners audit and upgrade the efficiency of their homes. Home Performance with Energy Star is growing as state and utilities look for opportunities to save energy and reduce peak load. More than 11,000 homes in California, Colorado, Georgia, Idaho, Kansas, Massachusetts, Minnesota, New York, Texas, and Wisconsin have been improved through this program. But much more needs to be done to implement similar programs across the country. With additional funding, the Energy Star program could develop a supportive infrastructure for contractors around the country, share information with interested state organizations, and develop marketing efforts in up to 10 metropolitan areas per year.

#### RECOMMENDATIONS

EPA's Energy Star program has clearly demonstrated its importance in helping the United States to capitalize on its greatest energy "resource"—energy efficiency. The program is delivering real progress toward meeting our country's environmental and energy security goals, while at the same time putting more money in consumers' pockets through reduced energy bills. More investment by the federal government is needed to expand the impact of this voluntary partnership between the government and industry.

The Alliance to Save Energy recommends the subcommittee take the following actions to best leverage the proven results that stem from EPA's Energy Star program:

- First, we ask that the House, Senate, and conference specify the exact level of federal funding that is appropriated for the Energy Star program. Both the House and the Senate included such report language for fiscal year 2004; the Senate did again in fiscal year 2005. Such direction to EPA is needed to assure that funding intended by Congress for the program is used by the agency for that purpose.
- Second, we recommend that the Congress increase funding of the Energy Star program by \$10 million over the Administration's request, in order to expand the number of products, programs, and partners involved in the current program. This should be a first step to doubling the \$50 million budget for the Energy Star program within five years. In particular, the added funds will allow expansion of the new Energy Star "Home Performance" component nationwide.

#### CONCLUSION

The Energy Star program proves that we can protect the environment while simultaneously saving consumers money on their energy bills and enhancing the economy. Energy Star provides the catalyst for many businesses, state and local governments, and consumers to invest in energy efficiency, which in turn yields multiple private and public benefits. It does this by providing access to information, improving brand recognition, and providing positive publicity.

While there are many demands on the country's financial resources, Energy Star has proven tremendously cost-effective, and it returns important benefits to the nation. Every added federal dollar invested in Energy Star in fiscal year 2006 will return a significant and cost-effective yield in pollution reduction; economic stimulation; energy security; and consumer savings.

#### PREPARED STATEMENT OF THE ECOLOGICAL SOCIETY OF AMERICA

As President of the Ecological Society of America, I am pleased to provide written testimony for the Environmental Protection Agency (EPA), the Forest Service, and the U.S. Geological Survey. The Ecological Society of America has been the nation's premier professional society of ecological scientists for 90 years, with a current membership of 9,000 researchers, educators, and managers. We appreciate the opportunity to offer written testimony on behalf of these three agencies.

#### ENVIRONMENTAL PROTECTION AGENCY (EPA)

The Ecological Society of America is disappointed that the proposed budget for the EPA would reduce the agency's Human Health and Ecosystems Program, which includes much valuable biological and ecological research. The agency is requesting \$169.6 million for the program in fiscal year 2006, a 4 percent drop from last year's



request. In addition, the agency's valuable fellowship programs would stay at flat funding levels.

The Ecological Society of America is concerned about several science programs slated to be cut in the budget proposal: the ecosystem protection research program would be reduced by \$5.8 million to \$88 million, negatively affecting the Western Environmental Monitoring and Assessment Program (EMAP), the National Coastal Assessment, the Regional Vulnerability Assessment tools and watershed modeling research. In addition, the proposed EPA budget also includes a \$5.0 million (50 percent) cut to its exploratory grants program, which supports investigator-initiated research projects that address future or emerging environmental issues.

It is regrettable that the agency is slated to see no expansion of its valuable fellowship programs, which, when taken together, would be funded at the current level of \$8.3 million. These include the Science to Achieve Results (STAR), Greater Research Opportunities (GRO), Environmental Science and Technology (EST) and Environmental Public Health (EPH) fellowship programs. EPA's STAR Fellowship Program is of particular interest to our community. The program is the only one of its kind—funding graduate students conducting applied environmental research—and has had an excellent track record since its inception in 1995. An extremely competitive program—only 7 percent of applicants are awarded fellowships—the program has produced high quality research and is helping to train the next generation of environmental scientists.

We appreciate the opportunity to provide our comments on the Environmental Protection Agency and its proposed budget. Thank you for your consideration of our testimony.

#### U.S. FOREST SERVICE (FS)

The Ecological Society of America supports the President's budget request for an increase in the Forest Service (FS) Research and Development (R&D) budget to \$285 million. The FS is responsible for managing 191 million acres across the United States. This is no simple task considering that those acres are home to 360 endangered species and 2,500 sensitive species. Along with maintaining ecosystem sustainability, the FS is also charged with providing forest products from its lands for the economic well being of the surrounding communities. In order to complete these sometimes competing mandates, it is essential that the Forest Service have the ability to perform high level ecological analysis and research to ascertain the needs of the ecosystems that it manages.

The R&D division of the Forest Service provides this research, as well as critical support to land management activities on Forest Service land. It contributes to overall ecological knowledge and expertise, and is of great importance to the Society's membership. The Forest Service R&D budget is an essential element in the overall success of the Forest Service's mission, as it provides basic and applied research in the biological and physical sciences on national forests and grasslands. These lands are extremely diverse and biologically rich, providing a great store of information on ecology. The Forest Service's R&D has particular strengths in researching the habitat needs of wildlife species, watershed function, invasive species, aquatic habitats, and the role of the atmosphere and climate in forest health.

The Forest Service R&D, in cooperation with State and Private Forestry and the National Forest System, administers the Forest Inventory and Analysis (FIA) program. FIA is the only program to comprehensively assess all of the nation's forests in a nationally consistent manner across all land ownerships. Data collected through this program has been invaluable in helping government and non-government scientists document the role of U.S. forests in sequestering carbon from the atmosphere, a process that slows climate change. In fiscal year 2004, the Forest Service R&D expanded its inventory of America's forests to two more states, bringing the total coverage to 83 percent of America's forests. ESA supports the President's request for full implementation of the FIA in all 50 states.

The Ecological Society is disappointed that the President's budget request reduces funding for the National Fire Plan by \$4.8 million. While funding for research on fuels will increase by \$711,000 under the budget request, this will not offset the cuts to National Fire Plan research. The budget shortfall for fire research will ultimately hinder effective management of our nation's forests. This is of particular concern given that the Healthy Forests Initiative is a far-reaching proposal that will require an increased and sustained level of scientific research in order to be successful. If fire research funds are reduced, the overall ecological integrity of our national forests may be sacrificed.

The Society remains concerned that the proposed Forest Service budget for fire fighting is inadequate. For several years, the FS and the Department of the Inte-

rior's wildfire suppression costs have exceeded appropriated levels. To make up the difference, the agencies have transferred funds from other accounts to cover the costs, decreasing the ability to conduct research as well as necessary on-the-ground work such as rehabilitation and restoration, wildlife habitat improvements, and hazardous fuels reduction. A long-term solution to the lack of sufficient funding is needed to avoid negative consequences for the nation's forests and for the communities that live, work and recreate in them. The Ecological Society supports the establishment of a non-discretionary fire emergency fund to ensure that both fire suppression and fire research needs are met in the future.

#### U.S. GEOLOGICAL SURVEY (USGS)

ESA is grateful to Congress for its leadership in restoring past budget cuts and for report language supporting strengthening USGS core science programs and cooperative initiatives. We ask that Congress strongly consider funding USGS at \$1 billion for fiscal year 2006. This 7.1 percent boost above the fiscal year 2005 enacted level would restore proposed cuts to key agency programs and begin to reverse the nearly decade-long funding shortfall for this agency.

As the Department of Interior's sole science agency, the USGS conducts research critical to Interior's responsibilities in managing land, water and in protecting wildlife and environmental resources. In addition, USGS's long-term monitoring programs, nationwide networks and multidisciplinary scope make USGS a unique and important research body in such areas as combating invasive species, maintaining water quality and quantity, and tracking wildlife diseases. These problems affect the health, well being and economic security of many U.S. residents, in addition to being key areas of ecological research.

The President's budget would provide essentially flat funding to USGS' biology division, a funding increase to the mapping program, and cuts to geology and water. Overall funding for the science agency would fall by 0.2 percent to \$933.5 million. The Society is concerned that the proposed cuts would curb the agency's ability to provide integrated scientific information. For example, proposed cuts to the Mineral Resources program would terminate research that has important implications for public health and environmental protection, such as studies on mercury, arsenic, and other inorganic toxins.

These proposed budget cuts would adversely affect the ability of the USGS to achieve its mission. We encourage Congress to restore these cuts, but this funding should not come at the expense of other high priority programs.

The USGS budget request would expand funding for several initiatives, including increases of \$300,000 for invasive species research, \$250,000 for ecological systems mapping, and \$19.5 million for land remote sensing activities. It also would expand funding by \$750,000 for the Science on the DOI Landscape initiative, a collaborative effort building on scientific expertise to meet regional priorities of Interior Bureaus and local communities.

These initiatives would enhance and integrate ecological knowledge and deserve the support of Congress.

The USGS budget request for fiscal year 2006 provides full funding for increases in fixed costs such as employees' salaries. In past years, increases in fixed costs were not accounted for in the budget and so were partially absorbed by individual programs, ultimately curtailing the USGS' ability to carry out research in its core programs. The Ecological Society encourages Congress to meet the President's budget request for full funding of fixed costs in fiscal year 2006 so that fixed costs will not be met at the expense of research.

The USGS is an exceptional and unique research organization. Many of the ecological problems that the USGS is charged with addressing require an interdisciplinary and integrative approach. USGS is positioned to utilize its expertise in geology, hydrology, geography and biology to address these complex problems so crucial to maintaining human and environmental health.

We hope that Congress will do its best to support USGS at the \$1 billion level. Thank you for your thoughtful consideration of our request.

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#### PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS

Mr. Chairman and members of the Subcommittee, I am Sara Ward of Ohio and Chair of the National Association of State Energy Officials (NASEO). NASEO represents the energy offices in the states, territories, and the District of Columbia. NASEO is submitting this testimony in support of funding for the Energy Star program (within the Climate Protection Division of the Office of Air and Radiation) at the U.S. Environmental Protection Agency (EPA). NASEO supports funding of at

least \$10 million above the Administration's fiscal year 2006 request of \$50.6 million, including specific report language directing that the funds be utilized only for the Energy Star program.

The Energy Star program is focused on voluntary efforts that reduce the use of energy, promotes energy efficiency and renewable energy, and works with states, local governments and business to achieve these goals in a cooperative manner. NASEO has worked very closely with EPA and over thirty-five states are Energy Star Partners. In February, EPA and NASEO announced a new Clean Energy and Environment State Partnership program, which already has over ten state members. With very limited funding, EPA's Energy Star program works closely with the state energy offices to give consumers and businesses the opportunity to make better energy decisions, without regulation or mandates.

Energy Star focuses on energy efficient products as well as buildings. The Energy Star label is recognized across the United States. It makes the work of the state energy offices much easier, by working with the public on easily recognized products, services and energy savings targets. In order to obtain the Energy Star label a product has to meet established guidelines. Energy Star's voluntary partnership programs include Energy Star Buildings, Energy Star Homes, Energy Star Small Business and Energy Star Labeled Products. The program operates by encouraging consumers and by working closely with state and local governments to purchase these products and services. Marketplace barriers are also eradicated through education.

In addition to the state partners, the program has more than 7,000 company partners. More than 360,000 families now live in Energy Star homes. We are working with EPA, DOE and HUD on the development of a "Home Performance" with Energy Star activity. This allows us to focus on whole-house improvements, not simply a single product or service. This will be extremely beneficial to homeowners. Pilots have already been undertaken in New York, Illinois and Wisconsin. We are also working closely with EPA in the implementation of the new Energy Star Challenge, which is encouraging businesses and institutions to reduce energy use by 10 percent or more, usually through very simple actions. We will work with the building owners to identify the level of energy use and compare that to a national metric, establish goals and work with them to make the specified improvements. Again, this is being done without mandates. In just one week, Delaware, Maine, Massachusetts, New Hampshire, New York, Ohio and Pennsylvania have agreed to participate.

The state energy offices are very encouraged with progress made at EPA and in our states to promote programs to make schools more energy efficient, in addition to an expanding Energy Star business partners program. This expansion will continue. EPA has been offering critically useful technical assistance to state energy offices in such areas as benchmark training (how to rate the performance of buildings), setting an energy target and training in such areas as financing options for building improvements and building upgrade strategies.

This Subcommittee was instrumental in funding the State Technologies Advancement Collaborative (STAC), which is a joint venture between the state energy offices, the state research institutions and the Department of Energy. We are working closely with the Energy Star program to ensure that STAC coordinates the Rebuild America activities with EPA's Energy Star program.

The state energy offices are working cooperatively with our peers in the state environmental agencies and state public utilities commissions to ensure that programs, regulations, projects and policies are developed recognizing both energy and environmental concerns. We have worked closely with this program at EPA to address these issues. The level of cooperation from the agency has been extraordinary and we encourage these continued efforts.

#### STATE EXAMPLES

In the examples noted below, the state energy offices have been active program participants and promotion agents for Energy Star.

##### *Alaska*

Thirty companies and public entities in the State are now working with the Energy Star program, with 7,200 homes already earning the Energy Star label. With high energy costs, the evaluation tools prepared by Energy Star have been very helpful in assessing building performance and recommending and implementing improvements. For example, the Matanuska-Susitna Borough School District has upgraded lighting, installed programmable thermostats and taken other measures to reduce energy usage.

### *California*

More than 1,850 companies and public entities are participating in the program, with 202 manufacturers of Energy Star products located in the State. More than 21,100 homes have already earned the Energy Star label. The State is focusing on a new homes program, there is a State "Energy Star" purchase requirement and companies as varied as Intel Corporation and Hilton Hotels have been program participants.

### *Colorado*

Energy Star initiatives and projects have been implemented throughout the State. Some notable examples include the: (1) Poudre School District in Fort Collins, which completed 95 projects saving over \$300,000/year; (2) Jefferson County Public Schools in Golden, which are saving \$2.8 million each year; and (3) 26 different home-builders constructing Energy Star homes.

Hundreds of companies and public entities are participating in the program.

### *Idaho*

Twenty-eight companies are building Energy Star homes in the State. Western Window in Caldwell is producing Energy Star windows for use in the southern part of the State. Utilities are actively participating in the program, including both investor-owned and municipal utilities. The State's "GemStar" program is promoting the use of high performance homes. Over 100 companies and other public entities are involved in the program.

### *Maryland*

Almost 800 companies and public agencies, with active participation of the Executive Branch, are involved in Maryland. Over 4,000 homes have earned the Energy Star label. State legislation has promoted the use of Energy Star appliances, including making some energy efficient models tax free. Partners include such diverse entities as Harley-Davidson, Howard County Public Schools and Archstone Smith Realty.

### *Mississippi*

With 60 companies and public entities, numerous manufacturers and many homes participating in Energy Star and earning the Energy Star label, Mississippi is moving aggressively to promote the program. Retailers stocking Energy Star products include Wal-Mart, Best Buy, Circuit City, Home Depot, Lowe's, Sam's Club, and Sears. Five companies are now building Energy Star homes.

### *Montana*

Over 50 companies and public entities are participating in the program, with 210 retail locations selling Energy Star products. Executive Order 03-01 has directed that Energy Star be included in state procurement. Active partners include the Northwest Energy Efficiency Alliance, Montana State University, hospitals, schools districts, etc. The State has forcefully promoted the program.

### *Nevada*

Over 100 companies and public entities are program participants. The state energy office and the public utility commission are working together to promote a variety of activities, including a recent Energy Star appliance rebate program for utilities. The Clark County School District has reduced annual utility costs by \$4 million through energy efficiency efforts across 147 schools. The City of Las Vegas has saved 4.8 million kWh through aggressive energy efficiency measures. Thirty-three companies are now building Energy Star homes.

### *New Hampshire*

Over 110 companies and numerous public entities are program participants. Hundreds of retail locations are selling Energy Star products. Rebates for Energy Star products are now offered by the utilities as a result of regulatory actions. The State initiated a master lease program to promote performance contracting for energy efficiency initiatives. Over 500 State-owned buildings are either being evaluated or undergoing modifications.

### *New Mexico*

Over 80 companies and public entities are participating in the program, with over 2,200 homes already receiving the Energy Star rating. Active participants thus far include Two Park Square in Albuquerque, the federal buildings in Gallup and Roswell, the Albuquerque Indian Hospital and the VA Health Center and scores of schools in Albuquerque. Six companies are now building Energy Star homes, led by Artistic Homes.

*North Dakota*

Thirty companies and public entities are participating, with 3 manufacturers of Energy Star products located in the State. Numerous schools have been involved, including, for example, Grand Forks West Elementary School, Grand Forks Winship Elementary School, Cavalier Public Schools and Walhalla Public Schools. A variety of retailers sell these products and Thermal Line Windows in Mandan sells Energy Star windows in 12 states.

*Utah*

Over 110 companies and public entities are program participants, with over 170 retail outlets selling Energy Star products. More than 1,800 Energy Star homes have been constructed in the State, with notable developers including Ence Homes (St. George). Thirty-two companies are now building Energy Star homes. Amsco Windows of Salt Lake City is a major seller of Energy Star windows. The University of Utah has now retrofitted 81 buildings with significant energy efficiency improvements.

*Vermont*

Over 150 companies and public entities are program participants, with 5 manufacturers of Energy Star products located in the State. Over 1,900 homes have already earned the Energy Star rating, with active promotion of the program accelerating market penetration and acceptance. The state energy office, the Vermont Energy Investment Corporation (operating public benefit programs), Efficiency Vermont (composed of 20 utilities and others), Green Mountain College, Killington Ski Resort and the University of Vermont are all aggressive program participants.

*West Virginia*

Seventy companies and public entities are participating in the program. The state energy office has provided technical assistance to industries, public institutions and local governments to promote Energy Star products and services, including over 100 energy audits leading to significant improvements. Individual participants have included Royal Vendors, Inc. (Kearneysville), Simonton Windows (Parkersburg) and Marion County Schools (Fairmont).

*Wisconsin*

Almost 800 companies and public entities are participating in Energy Star. Over 2,300 homes have earned Energy Star recognition. In addition 45 schools, 6 office buildings, and 4 supermarkets have now earned Energy Star recognition. In addition to active promotion work by the state energy office having spearheaded the implementation of 22 facility upgrades leading to \$2.6 million in annual savings, 291 builders are constructing Energy Star homes. Johnson Controls, based in Milwaukee, has been an industry leader in promoting Energy Star through their performance contracting activities.

We can provide a myriad of other state examples at your request.

## CONCLUSION

Increases in funding for the Energy Star Programs are justified. NASEO endorses these activities and the state energy offices are working very closely with EPA to cooperatively implement a variety of critical national programs.

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PREPARED STATEMENT OF THE NATIONAL RESEARCH CENTER FOR COAL AND ENERGY (NRCCE)<sup>1</sup>

This testimony requests appropriations for three projects administered under the Environmental Protection Agency [EPA] in the area of water and one program in the area of air quality. Comments on each project are described below.

The NSFC and the NETCSC programs were funded in fiscal year 2005 appropriations. The remaining two programs have been funded in previous years, but are not funded in fiscal year 2005.

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<sup>1</sup>The National Research Center for Coal and Energy is located at West Virginia University. This statement has been prepared by Richard Bajura, Director. George Fumich, NRCCE Program Advisor, now deceased, contributed to this statement. For additional information, contact our web site at <http://www.nrcce.wvu.edu>.

## WATER PROGRAMS

*1. Rural Water Technical Assistance [RWTA] Projects*

This portion of our testimony focuses on two projects funded under the RWTA provision in the Environmental Programs and Management section of the EPA budget. The RWTA funds several national organizations that provide drinking water and wastewater services to small and rural communities. While the types of services provided by each organization are different, each organization is dedicated to improving the water environment of rural America.

Small communities in the United States (populations less than 10,000) need significant assistance for basic water and wastewater services. Services provided by RWTA organizations enable the communities to achieve and maintain regulatory compliance using technologies which are less costly than conventional sewers and treatment plants.

Section 1442(e) (42 U.S.C. 300j-1(e)) of the Safe Drinking Water Act provides funding in the amount of \$15 million per year through the Safe Drinking Water Act for Rural Water Technical Assistance. Congressional support to continue the work of these programs is imperative because the communities these programs assist cannot pay the RWTA organizations on a fee-for-service basis.

*National Small Flows Clearinghouse [NSFC]—\$2 million*

The NSFC, one of the programs funded under the RWTA provision of the Clean Water Act, was created in legislation to provide information and assistance to small and rural communities on proper technology selection and the management of onsite and small wastewater systems. Users of these services include individual home owners, small town officials who do not have staff support to address regulatory requirements, developers and state regulators, and professionals who install and service alternative treatment systems.

NSFC is the premier (and only) comprehensive national source of information about “small flows” systems—those systems that have fewer than one million gallons of wastewater flowing through them per day. These systems range from individual septic systems to small sewage treatment plants and require technologies which are different from the technologies used for large volume water treatment plants. Decentralized systems such as onsite septic systems and small cluster systems serve 25 percent of the total U.S. population, especially in small communities. Projections through 2019 show that 40 percent of wastewater utilities and 25 percent of water utilities have insufficient funds for services, and 29 percent of utilities have deferred maintenance on their plants.

Using NSFC services, small communities across the nation have been able to learn how to leverage funding in the face of declining federal and state support and obtain information about small system technologies which are less expensive yet meet regulatory requirements. The NSFC’s mandate is to serve small and rural communities throughout the United States by providing information and assistance on small wastewater treatment system technologies. The NSFC accomplishes this mandate by:

- Better enabling operators of small water treatment systems to comply with federal regulations.
- Providing access to expert advice and training on wastewater.
- Guaranteeing the most current, comprehensive information in small wastewater system financing, technologies, and management.
- Delivering public health and environmental awareness education, information and technical assistance to small communities and rural areas.

National benefits of the program include increased health of residents through effective management of wastewater treatment systems and reduced costs for infrastructure investments. We request continued support for the National Small Flows Clearinghouse at \$2 million for fiscal year 2006.

*National Environmental Training Center for Small Communities [NETCSC]—\$1.5 million*

Environmental professionals such as operators, engineers, regulators and installers, and local decision makers in small communities need training to resolve their community environmental problems. In 1991, Congress created NETCSC to meet this need. In a unique approach, NETCSC develops, disseminates, and delivers training customized for small community environmental management. NETCSC provides training resources to environmental trainers and technical assistance providers, who in turn train environmental professionals that serve small communities. NETCSC has developed more than 40 model training packages. These training

packages are delivered and available coast-to-coast to thousands of participants, often in co-sponsorship with other training and/or service providing organizations.

Hundreds of environmental trainers across the nation attend NETCSC training and subsequently use NETCSC training materials in turn to train thousands of local officials, operators, installers, regulators, engineers and homeowners. More than 7,000 environmental trainers, technical assistance providers, and small community professionals receive NETCSC's environmental training newsletter to obtain relevant updates on environmental infrastructure, training, security, and emergency preparedness issues and opportunities.

Since September 2001, NETCSC has been assisting smaller communities in addressing water security concerns. At the request of the Environmental Protection Agency and the Department of Agriculture, NETCSC has developed and delivered training courses designed to improve the security of small drinking water and wastewater systems. NETCSC has also developed and compiled an array of vulnerability assessment, emergency response, and security resources. These efforts include multiple training deliveries, substantial coverage of security issues in E-Train (NETCSC's newsletter), and substantial coverage of security issues on the organization's frequently accessed worldwide web sites. These and other security-related efforts have been undertaken in consultation with a variety of national, regional, and state and local partners. A vulnerability assessment guide for small wastewater systems has also been developed in cooperation with the Environmental Protection Agency. NETCSC is playing a leading role in assisting small treatment systems with security training issues. The present request for the National Environmental Training Center for Small Communities includes an added \$0.5 million over the fiscal year 2005 level for a total appropriation of \$1.5 million to expand our work in the area of homeland security. EPA is the lead agency for homeland security issues in the area of water.

#### *2. Monongahela Basin Mine Flooding Program—\$1 million*

This project addresses the assessment, monitoring, and control of contaminated water from abandoned coal mines in the Monongahela River Basin area of Northern West Virginia and Southwestern Pennsylvania.

Coal has been mined in the Monongahela River Basin since colonial times, resulting in more than 1,200 mines having been developed. All but 10 of them are now abandoned or closed. The non-active mines are either flooded or are rapidly filling with polluted mine water. Over the past 30 years, much of this mine water had been treated by active mining companies. They treated water from adjacent, abandoned mines to keep their working faces dry. However, after closure of a mine, the companies are only responsible for the water issuing from their portals. As a result, significant new discharges are anticipated from old workings.

The recent water eruption from a mine shaft in the town of McDonald, PA, near Pittsburgh, illustrates the need for continued effort for mapping, monitoring, and cataloging the older mine sites. In the McDonald incident, the mine discharge burst from a long-forgotten portal and flowed through the town at rates of up to 10,000 gallons per minute.

We request funding of \$1 million for the Monongahela Basin Mine Flooding Program for fiscal year 2006. The project was supported previously under the U.S. EPA Clean Water Action Plan. The National Environmental Technology Laboratory [NETL], through its Environmental Technologies Program, is a partner in this project.

### AIR QUALITY PROGRAMS

#### *3. National Alternative Fuel Vehicle [AFV] Day Odyssey—\$0.5 million*

We seek support from the Environmental Protection Agency for the third National Alternative Fuel Vehicle Day Odyssey, a public outreach event which supports the EPA programs in clean air through the deployment and use of alternative fuel vehicles and advanced technology vehicles. EPA was a partner and provided extensive cost-sharing to the first two Odyssey events in 2002 and 2004. The event is coordinated by the National Alternative Fuel Training Consortium [NAFTC], a consortium of 25 higher education institutions which also develops curricula and conducts training on the servicing of alternative fuel vehicles and advanced technology vehicles.

National AFV Day Odyssey is a focused, well-defined, public awareness event that brings national attention to cleaner, more energy-efficient and smarter choices in transportation. The Odyssey is held at multiple sites simultaneously in conjunction with a central national headliner event. The Odyssey program has shown that the results of such a unity-of-purpose event held on one day increases the impact of

each individual site's Odyssey event and catalyzes momentum for the AFV/advanced technology vehicle movement nationwide.

National AFV Day Odyssey 2004, conducted on April 2, reached over 24 million individuals through media and participant attendance. National AFV Day Odyssey was conducted in 54 sites in 32 states and 2 Canadian Provinces and involved over 650 Local Partners in the events. Participating organizations included the National Clean Cities local coalitions, AFV associations such as the Natural Gas Vehicle Coalition and the Electric Drive Transportation Association, Professional Associations and Industry Associations. Sponsors of the Odyssey event included General Motors Corporation, Daimler-Chrysler Corporation, American Honda Motor Company, and Toyota Motor Sales, USA, Inc., and the USDOE through Oak Ridge National Laboratory, in addition to EPA as our cooperative agreement partner. In view of the success of the first two Odyssey events, the NAFTC and its partners wish to establish a regular cycle for repeating the Odyssey program. We seek \$0.5 million from the EPA for the NAFTC National Alternative Fuel Vehicle Day Odyssey.

Thank you for considering these requests.

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PREPARED STATEMENT OF THE AGENCY FOR TOXIC SUBSTANCES AND DISEASE  
REGISTRY

Mr. Chairman and distinguished Members of the Subcommittee: The Agency for Toxic Substances and Disease Registry (ATSDR) is pleased to provide written testimony in support of the President's fiscal year 2006 budget request of \$76.024 million. This funding will support ATSDR's ongoing activities and critical programs, including programs to enhance the understanding of health impacts from exposures to hazardous substances.

As an agency newly under your jurisdiction, we would first like to introduce ourselves. We will then discuss some highlights of ATSDR's Superfund site work, demonstrating how the Agency has been successful in meeting its goal to mitigate the risks of health effects at toxic waste sites and how we have assisted the Environmental Protection Agency (EPA) in documenting the need for and effectiveness of its remediation efforts. This testimony will address (1) ATSDR's achievements in carrying out its mission under the Superfund to assess potential health impacts from exposures of hazardous waste sites; (2) ATSDR's education of the public and the medical community to mitigate potential health problems facing communities around the nation; and (3) ATSDR's partnerships and their protective impact on the public's health from hazardous substances.

INTRODUCTION

What is ATSDR? A community discovers its drinking water is contaminated with a toxic substance that came from the local landfill . . . An Indian tribe has concerns about mercury in fish and wild game . . . A child is found to be suffering from exposure to high levels of lead . . . Basements in a neighborhood have annoying fumes that smell like gas or oil . . . What health effects might have occurred, or will occur, as a result of these exposures? These are the types of environmental health issues that ATSDR addresses every day.

ATSDR was created under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), more commonly known as the Superfund law. The Superfund program is charged with finding and cleaning up the most dangerous hazardous waste sites in the country. ATSDR supports this mission by providing and using the best science, taking responsive public health actions, and providing trusted health information to prevent harmful exposures and disease related to toxic substances.

ATSDR ACHIEVEMENTS

All the work we do is geared toward meeting the overarching goal of ensuring that the sites where we work become healthy places to live, work, and play.

Protecting the Public's Health by Addressing Asbestos Exposure: Our work in addressing health problems associated with exposure to asbestos is an example of our efforts. The asbestos exposures that took place in Libby, Montana, have become well known since ATSDR studies and screening defined the extent of the health problem. ATSDR medical screening revealed that:

—Nearly one in five of the 7,300 people participating in the medical testing during the years 2000 and 2001 were found to have lung or breathing abnormalities associated with exposure to asbestos fibers.



—Of the former W.R. Grace employees receiving x-rays, 51 percent had pleural abnormalities.

In addition, an updated analysis of deaths due to asbestos-related disease in the Libby area from 1979–1998 showed increased mortality due to asbestosis, lung cancer, and other, non-malignant respiratory diseases. We are continuing to provide medical screening for exposed individuals and have established a registry to track their ongoing health status.

But the contamination was not limited to Libby; the asbestos contaminated vermiculite was shipped for processing to over 200 plants around the country. ATSDR is now studying the 28 sites that received nearly 80 percent of the Libby vermiculite mined from 1964 through 1980. The findings from studying these sites will indicate whether the scope of the project needs to be expanded to include other sites that processed Libby vermiculite and the associated health concerns. The 28 pilot sites are scattered across the United States and include locations in California, Colorado, Maryland, and North Dakota. ATSDR is working to determine whether past (or current) exposures took place at or near these sites—paying particular attention to former workers and their families. The Agency will then work with community residents and state partners to mitigate any existing or potential health effects. Health statistics reviews to evaluate mortality and cancer registry data are under way in sixteen states, and pilot mesothelioma surveillance is being initiated in the states of New York, Wisconsin, and New Jersey.

Another unfolding asbestos-related challenge is in El Dorado Hills, California, where workers found a vein of naturally occurring asbestos during construction of a soccer field at Oak Ridge High School. ATSDR has evaluated the public health threat associated with exposures to airborne asbestos fibers at the school, and will be documenting its findings. ATSDR will continue to consult with state and local agencies and the EPA to address this issue.

Meeting the Goal to Mitigate the Risks of Human Health Effects at Toxic Waste Sites: Communities around the country benefit directly from ATSDR's assessment and interventions concerning potential exposures to hazardous substances and related risks of adverse health effects. Indeed, ATSDR has made significant strides in the past year at documenting the effectiveness of Agency recommendations and interventions to reduce community members' risk of adverse health effects. The Agency and its state partners work on hundreds of Superfund sites each year to evaluate the health hazards at these sites. Many are found to pose a public health hazard—sites where children and other residents suffer from potentially harmful exposures.

Examples of Superfund sites where ATSDR's recommendations and interventions have helped people include the following:

—*Tar Creek, Oklahoma.*—ATSDR-sponsored activities have helped produce a significant drop in blood-lead levels (BLLs) among young children in Tar Creek. In 1996, data from the Oklahoma State Department of Health (OSDH) showed that among young children (aged 1–5 years) living at the site, 31.2 percent had a BLL at or above 10 micrograms per deciliter (gg/dL), the Centers for Disease Control and Prevention (CDC) level of health concern. By 2003, OSDH data indicated that elevated BLLs among children in the same age group had dropped to just 2.8 percent. Las Vegas, Nevada—ATSDR expertise helped limit injuries from mercury spilled in a Las Vegas home. Over a 2–3 month period, a 17-year-old resident spilled approximately one quart of elemental liquid mercury inside and outside his home. When the boy was hospitalized for severe mercury poisoning, EPA emergency personnel checked the home and found toxic mercury vapors up to 150 times higher than acceptable levels. One sink's drain trap contained as much as two tablespoons of the metal. With the help of ATSDR guidance on cleanup levels and handling of mercury-contaminated household items, EPA was able to clean the house and eliminate further exposures. ATSDR also coordinated with health officials in California to ensure that several part-time members of the household who had been exposed but who were in California at the time of the investigation also received medical follow-up.

—*Eureka, Utah.*—Interventions by ATSDR and state efforts have helped decrease average blood-lead levels (BLLs) in children living in Eureka, where mining activities conducted from 1870 to 1965 resulted in elevated levels of metals in the soil. Children in this community are 10 times more likely to have elevated BLLs (at or over 10 gg/dL) than children elsewhere in Utah. The Utah Department of Health, in cooperation with ATSDR, has developed a successful new health education program designed to encourage blood-lead testing for residents and to decrease average BLLs in children. The program reaches approximately 110 Eureka Elementary students twice per month. Cleanup by the EPA and the Utah Department of Environmental Quality has resulted in a return to blood-lead

levels below the threshold of health concern. Blood-lead testing since 2000 indicates that BLLs among children in Eureka have dropped and stabilized, although average levels in the city's children remain high compared to the state average.

—*Bunker Hill Mining and Metallurgical Complex/Couer d'Alene River Basin, Idaho.*—ATSDR has been engaged for several years in evaluating the public health impact of metals released during mining and smelting operations at the Bunker Hill site. Although ATSDR has identified seven chemicals of potential concern, including aluminum, antimony, arsenic, cadmium, iron, manganese, and zinc, the contaminant of greatest concern at the site is lead. In late 2004, ATSDR released for public comment a public health assessment (PHA) that concluded that (1) high levels of lead and other metals exist in surface soil, household dusts, and fish at and near the site; (2) possible long-term exposure to contaminants existed in a variety of media; and (3) site conditions have resulted in elevated blood lead levels in some children. The PHA's recommendations include conducting further testing of surface soils and household dusts throughout the River Basin site and remediating or covering contaminated soil in children's play areas at residences and common use areas.

#### ATSDR EDUCATION OF THE PUBLIC AND MEDICAL COMMUNITY

ATSDR also proactively works with EPA and the states to provide a variety of resources and technical support services, including emergency response, publication of toxicological profiles, and referral to environmental health specialists. ATSDR assessments and interventions concerning potential exposures to hazardous substances serve as an important link between health and environmental agencies and stakeholders. For example:

- ATSDR published and distributed more than 12,000 copies of toxicological profiles, each one on CD-ROM containing information on more than 800 chemicals. These profiles are considered the authoritative source of up-to-date information on the known health effects of these chemicals by federal, state, and local health and environmental officials, as well as by private industry.
- ATSDR supports the network of Pediatric Environmental Health Specialty Units in major medical centers in all 10 EPA/HHS regions of the country. These units provide pediatricians and other health care providers with experts on how best to diagnose and treat patients exposed to such chemical contaminants as lead, mercury, or dioxin.

#### ATSDR PARTNERSHIPS AND HEALTH IMPACTS

ATSDR leverages resources and partnerships to maximize health impacts. ATSDR has an extensive state cooperative agreement program and research partnerships with organizations such as the American Chemistry Council to improve and facilitate capacity-building in environmental health.

*Terrorism.*—ATSDR has a significant role in planning for and responding to the threat of terrorist events, including performing emergency service functions of the National Response Plan. ATSDR's staff, located in EPA regional offices, work daily with EPA and regional staff and state partners to provide expertise in planning for and responding to chemical emergencies. ATSDR has responded and participated in several public health emergencies of this nature, including the ricin incident at a South Carolina post office.

*Strengthened Ties with EPA and Documented Health Improvements Post-Remediation.*—Another measure of success ATSDR has established is the percentage of ATSDR recommendations that EPA adopts. More than 70 percent of our recommendations for site action directed to EPA in 2003 have been implemented by EPA, with 10 percent still pending decision. We also play a critical role in helping EPA and state site managers to prioritize and identify which sites pose the greatest threat to human health.

Further, in this past year we have been working with EPA to support its remediation actions by measuring the effectiveness of its clean-up efforts in reducing adverse health effects. One of the best examples of that work is our joint effort at the Doe Run Smelter, in Herculaneum, Missouri. BLLs for children in the town are decreasing following EPA's remediation of lead sources and ATSDR-sponsored health education and intervention activities. In 2001, 28 percent of 118 young children (aged 6 to 72 months) tested had elevated BLLs. Of the 67 young children living within a half mile of the smelter, 30 (45 percent) had BLLs at or above 10 gg/dL, the level of concern set by CDC, and ten times the percentage of children with such levels nationally. Results were evident by the following year. By 2002, just 14 percent of the children tested had elevated BLLs. Similarly, of the young children liv-

ing within a half mile of the site, only 17 percent had an elevated BLL. Another strong example of ATSDR work in support of EPA is a study that demonstrated that removal of lead-contaminated soil from residential yards in Idaho's Silver Valley was effective in reducing blood lead levels in children. Other examples of sites where strong partnerships have led to positive results include:

—*Beloit, Wisconsin.*—Wisconsin's Department of Health and Family Services (DHFS) and ATSDR helped a business owner in Beloit protect people from breathing hazardous levels of volatile organic compounds (VOCs). Investigating odor complaints from occupants of a building, state health officials detected high levels of VOCs in the air. The VOCs, apparently from fuel oil-contaminated water seeping into the basement, posed an intermittent, short-term health hazard when vapors from the basement entered the main building. DHFS consulted with the building's owners and recommended interim measures to prevent exposures. The suspected source, an underground fuel oil tank on an adjoining property, is now slated for removal. Health officials will follow up to ensure that the measures were effective.

—*Huntington, West Virginia.*—ATSDR expertise and guidance helped the West Virginia Cooperative Partners Program (WVCPP) and local health officials protect residents and school children from exposure to benzene, a known carcinogen. When a railroad-car valve failed at the TechSol facility in Huntington, some 23,000 gallons of coal tar light oil spilled into Kraut's Creek and into storm sewers. The spill forced people in over 500 homes and an elementary school to evacuate. To ensure that people returning to their homes would be safe, WVCPP, an ATSDR partner, determined safe reoccupation levels and conducted indoor air tests. As a result, most of those evacuated were able to return two days later. WVCPP is now working with the community to address concerns about exposure, and cleanup of the creek continues.

We look forward to working on these and additional challenges in the future. We thank you for the opportunity to provide you with written testimony and we look forward to responding to any questions you may have.

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

##### PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE SILETZ INDIANS OF OREGON

I am Delores Pigsley, Chairman for the Confederated Tribes of the Siletz Indians of Oregon. On behalf of the Confederated Tribes of the Siletz Indians, I would like to thank the Committee for the opportunity to present written testimony regarding fiscal year 2006 Appropriations for the Indian Health Service and the Bureau of Indian Affairs.

Our Tribe is fortunate to live along the beautiful Oregon Coast. But we are isolated from metropolitan areas. As a result, our most critical funding needs are for health care and education. We urge Congress to provide additional funds for the Indian Health Service and the Bureau of Indian Affairs' Education Programs.

##### INDIAN HEALTH SERVICE

The Confederated Tribes of Siletz operate a small ambulatory health facility under a Public Law 93-638 Self-Governance Compact with the Indian Health Service. Our outpatient program was initially funded by a special congressional earmark as a demonstration project to serve the entire community of Siletz, Oregon. The demonstration project has been successful and today our small facility provides more than 24,000 primary care visits each year.

As you know, diabetes, heart disease, alcoholism, teenage suicide and infant mortality rates are higher for American Indians than for any other minority, and far higher than for the general American population. Congress has recognized that the Federal government has a trust responsibility to provide health care to Native Americans. This obligation was paid for long ago by the Native people of this country with millions of acres of land.

Despite the demonstrated health needs in Indian country, the federal government has consistently failed to appropriate enough money to fulfill even its basic trust responsibility to Indian people. Funding for health care, especially preventative health care that clearly improves the quality of life and helps to avoid more expensive health care costs in the future, is completely inadequate in the President's fiscal year 2006 Budget. We urge Congress to honor its commitment to protect Indian tribes and our members. The failure of the Administration to recognize this responsibility and request sufficient funding for tribal health programs, while dis-

appointing, cannot be a basis for Congress to abdicate its responsibility to appropriate the funds necessary to meet these needs.

#### *Overall IHS Funding Levels*

While the President's budget request for Indian Health Service represents an increase on paper, it fails to keep pace with medical inflation rates and will not translate into program improvements or expansions. The Northwest Portland Area Indian Health Board has done a comprehensive study of the fiscal year 2006 IHS Budget, and made a series of recommendations regarding Indian health care funding needs. Our Tribe is an active participant in the Board's activities and we completely support the analysis and recommendations made by the Board. We urge the Committee to review the Board's analysis and recommendations and we have provided a copy of the Board's report to Committee staff.

The Northwest Portland Area Indian Health Board estimates that simply to maintain the current level of services provided in Indian health programs nationwide, it would be necessary to increase the Budget for IHS by \$317 million (or 12 percent) over the fiscal year 2005 funding levels. While the President's fiscal year 2006 IHS Budget proposes an increase to IHS funding, that increase is a mere 2.1 percent (including the adjustment for facilities construction) and does not come anywhere close to accurately addressing the increased costs for such services caused by medical inflation and growing populations. As a result, the President's proposed budget will, in fact, fall short of meeting existing need by \$308 million. Our programs cannot afford to absorb such large losses year after year.

In addition, IHS must be protected from budget rescissions. Budget rescissions have occurred in each of the last four years, and have seriously damaged Indian health care programs. This year, after two rescissions were mandated, our tribal health program experienced a significant decrease in operating funds. The most responsible budget adjustments for inflation, pay costs and population growth are meaningless unless they are protected from across-the-board rescissions to deal with spending caps in the appropriations process.

#### *Contract Health Services (CHS)*

Particularly alarming is the failure to request adequate funding for Contract Health Services. For Tribes in the Northwest, where there are no IHS in-patient facilities, Contract Health is the only way some of our members can receive health care. All specialty care and hospitalizations are paid for through Contract Health Services. Because we lack the resources to pay all requests, we must prioritize needs. Under current funding levels, only Priority I (Emergency/Acutely Urgent Care) and Priority II (Preventive Care) are considered for approval. Medical, dental and mental health needs that are not Priority I or II are deferred. These include CT scans, MRIs, hernia repair, knee and/or hip surgeries, psychological counseling, back surgeries and many other treatments that do not meet current funded levels of priority. Later in the fiscal year, as funds become exhausted, our members are restricted only to care that will preserve life or limb. Our patients must become sicker to meet priority for treatment. This is contrary to responsible health care practice and to the Tribe's goals of promoting the health and well-being for our membership. If we can spend billions of dollars in Iraq, we should have the moral decency to fund Indian health at least at the same level as health care funding for federal prisoners.

CHS is the program that is most vulnerable to inflation pressures. In order to maintain the current level of Contract Health Services in light of medical inflation and population growth, CHS funding should be increased by \$62.3 million over fiscal year 2005 levels. While the President's proposed budget recommends an increase in Contract Health Services, the President's proposal will actually result in a shortfall of \$35.3 million for CHS in fiscal year 2006. We urge Congress to increase Contract Health Services funding by \$62.3 million above the fiscal year 2005 level.

#### *Contract Support Costs*

The Confederated Tribes of Siletz have partnered with our neighboring Tribe, the Confederated Tribes of the Grand Ronde, to explore the feasibility of joint assumption of the Western Oregon Service Unit, Chemawa Health Center located in Salem, Oregon. Our mission is to improve service delivery to our tribal members who access this facility, along with the Chemawa student population and a large urban Indian population. In order to proceed, it is critical that Congress appropriate adequate funds for Contract Support Costs, which cover the costs of the administrative functions of running Tribal health programs. Contract Support Cost funding was not increased in either of the last two fiscal years and, in fact, as a result of the rescissions, the Tribes have seen reductions in this funding. While the President's fiscal year 2006 Budget proposes a small increase in Contract Support Costs, that pro-

posals does not even cover the past years' shortfalls. We estimate a shortfall of at least \$107 million, and we urge Congress to increase Contract Support Costs funding by \$107 million over the fiscal year 2005 level.

#### BUREAU OF INDIAN AFFAIRS EDUCATION FUNDING

The Confederated Tribes of Siletz, under a self-governance compact with the Bureau of Indian Affairs, provides educational programs and services to Indian children and adults over an eleven-county service area. Our services include Johnson O'Malley, Adult Vocational Training and Adult Education. In addition, higher education funding is provided to our students regardless of address. Every year we see an exponential growth in the number of students with no increase in funding level. To see success as individuals and as a united people and insure that no child is really left behind, additional BIA funding is needed for the following programs:

##### *Johnson O'Malley*

Funds for Johnson O'Malley are frozen at the 1995 TPA. We receive only \$83,000 for this program, which does not cover services for children or staff time. In 2004, services were provided to 1,299 children. The number of children that receive services has increased at a greater rate each year since 1995, and we are forced to spread few dollars among more children. Additionally, we serve tribal children in the three largest cities in Oregon and receive requests for children from other tribes. Despite this clear need, the President's fiscal year 2006 Budget proposes to cut the Johnson O'Malley program by \$8.8 million. We urge Congress to at least restore those funds, but if at all possible to increase them.

##### *Higher Education*

We have seen significant increases in the number of children needing and eligible for higher education assistance. In 1995, Siletz had 35 such students. This number has grown to 155 students in 2004. The current funding level simply does not cover either the dramatic increase in students, or the increasing costs of higher education. We are now unable to cover the basic cost of education for our students. Lack of BIA funding limits opportunities for our students and they are unable to reach their potential. The President's fiscal year 2006 Budget proposes only a \$500,000 increase in this program and that increase would only be used for a pilot loan repayment project. We urge Congress to increase federal funds for the BIA Higher Education Program and allow those funds to be used for new scholarships.

##### *Adult Vocational Training*

In 1995, we had 12 students in Adult Vocational Training. In 2004 that number has quadrupled to 49 students. With a need for new skills to compete for jobs in a dwindling job market, more Tribal members are turning to Adult Vocational Training. With an increase in applications we are now at the point where we cannot meet the needs of our Tribal members. This limits the opportunities that they would have with further training. We urge Congress to increase the BIA funds for Adult Vocational Training.

##### *Adult Education*

Increased funding is also needed to meet growing needs for Adult Education. Each year, we receive more applications to participate in this program. In 2004, we had 77 requests for Adult Education, but again without any increase in BIA funds. Adult Education is also an integral part of our overall Education program and provides a valuable service to our Tribal members. Without additional funding, our people are further handicapped and their opportunities limited.

All of these programs are essential to Indian people. We urge Congress to assist us by providing federal funds at levels that will allow us to take real steps to meet our people's needs. Thank you for allowing us to share our recommendations with you.

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#### PREPARED STATEMENT OF THE NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

#### FISCAL YEAR 2006 INDIAN HEALTH SERVICE BUDGET ANALYSIS

##### *Introduction*

The 16th Annual Northwest Portland Area Indian Health Board analysis of the Indian Health Service (IHS) Budget continues a tradition of close scrutiny of the IHS Budget that began in the 1980's. The character of budget formulation is vastly different for tribes than it is for the beneficiaries of other programs funded by the federal government. Trust responsibility and the government-to-government rela-

tionship between tribes and the federal government, by definition, requires a partnership in the development of the budget. Tribes welcome the continued commitment to joint development of the IHS budget under the Administration of President George W. Bush. The Northwest Portland Area Indian Health Board presented this budget analysis to tribes at its March 9, 2005 Budget meeting in Portland, Oregon.

Tribes agree that, given the current budget realities, this is the best IHS budget of the Bush Administration. It includes an average increase of over 5 percent for the health services account. This is double the average increase for the Department's other health and social service programs. In addition to the reasonable health services account increase, Northwest tribes agree that the distribution of the increase and the redirection of new construction facilities dollars to health services is both smart and it is reflective of tribal consultation. In nearly every case, the subactivity increases (line items) are true to the priorities identified by tribes in the budget formulation process. Compared to the last four years and with other agencies, IHS did very well and it deserves this increase given its record of strong performance. Unfortunately, compared to the great need it is still a budget that, taken together with other trends in health care finance and inflation, will be less than what is needed to maintain the IHS funded health programs.

Although willing to concede that the President's request is a reasonable one and one that reflects priorities identified in the budget formulation process, tribes have serious concerns. Tribes fear that the Congress will once again take the President's request and make changes to suit the priorities of their own constituencies and secondly, that they will once again apply an across the board reduction to meet artificial budget targets that have nothing to do with health care priorities. Tribes want money added to the budget and they are alert to the danger of Congressional cuts hiding behind the word rescission.

Northwest Tribes see their role as presenting reasonable estimates of needs so these needs can be understood and appropriated their fair share of available funds. Each year the Board first discusses its priorities during its January Board Meeting and during the February meeting of the Affiliated Tribes of Northwest Indians. The Board then develops its analysis and conducts a budget workshop prior to the House Interior Appropriations hearing (if hearings are held) on the IHS budget. In addition to the Budget Analysis, the Board also prepares a Legislative Plan that presents official Board positions on the budget and other health legislation. The Legislative Plan is developed by the Board and presented for discussion and adoption through resolution at the January Board meeting and again at the Affiliated Tribes of Northwest Indians at its February meeting. The 2005 Northwest Portland Area Indian Health Board Legislative Plan and this budget analysis are the basis of the Board's lobbying activities (both are available at [www.npaihb.org](http://www.npaihb.org)).

#### BUDGET FORMULATION: THE I/T/U BUDGET FORMULATION TEAM

For the past eight years representatives from the Portland Area have joined Tribes nationwide in the IHS budget formulation process that includes direct service Tribes, Tribally operated programs, and urban programs. This group, commonly referred to as the I/T/U, meets annually to develop the IHS budget. The Northwest Tribes' long interest in the budget process allows them to understand the complexity of developing the final approved appropriations. In the past, various Administrations have underestimated the need for funding the Indian Health Service. They have also often over estimated the amount of revenue received from collections from Medicare, Medicaid, and third party collections.

This analysis was first conceived as a reality check to the lack of integrity in past executive branch budgets. The analysis establishes criteria that are used to grade the President's budget request.

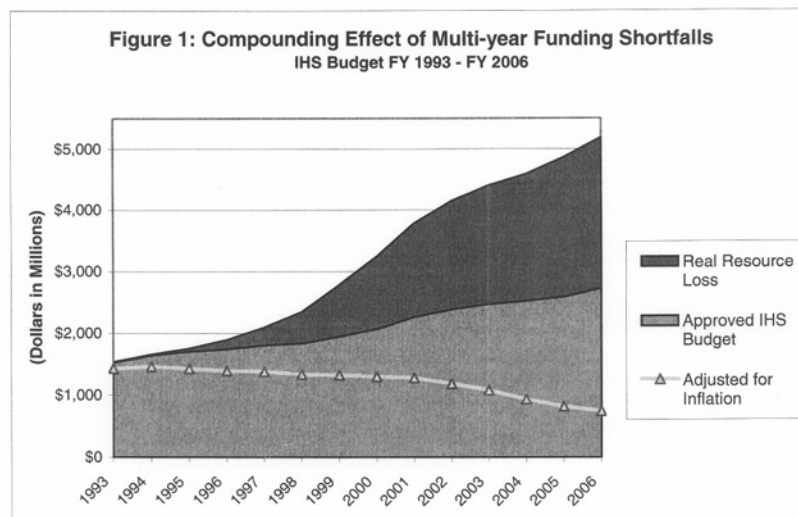
#### FUNDING TRUE NEED

The Northwest Portland Area Indian Health Board supports the work of both the I/T/U Budget Formulation Process and the Federal Disparities Index (FDI) Workgroup (formerly known as the Level of Need Funded). The Indian Health Service Budget Formulation Process and the FDI Workgroup have both established that the approximate level of funding needed to meet the true health care needs of Indian people is \$9–10 billion. This corroborates the long-held view that less than 50 percent of true need is funded by the Indian Health Service budget. If funded at \$9 billion, an additional phased-in facilities cost of \$9–10 billion would be needed to house the expanded health care services. This is sometimes stated as a \$20 billion need-based budget, but in reality, the annualized need after facilities are constructed is closer to \$10 billion per year in 2005 dollars. A 10-year phase-in of the

\$20 billion budget can be achieved if the Congress and the Administration can commit to several years of sizeable increases.<sup>1</sup>

Throughout the years, this analysis has sought to maintain the integrity of its estimates by not inflating amounts in the manner of conventional negotiations. Tribal leaders want information that is reliable so they can make their case to the Congress without fear of accusations of exaggerated estimates or double counting needs and challenge the true need. There is nothing to be gained by overestimating the funding required to meet the health care needs of Indian people. The Northwest Portland Area Indian Health Board invites discussion over every estimate presented in this analysis.

The following graph illustrates the diminished purchasing power of the IHS budget over the past 14 years (also see Table 8). The graph demonstrates the compounding effect of multi-year funding shortfalls that have considerably eroded the IHS base budget. In 1993, the IHS health services accounts received \$1.52 billion, had the accounts received adequate increases for inflation and population growth, that amount would be \$5.2 billion today. The NPAIHB estimates that the IHS budget has lost over \$2.46 billion over the last 14 years.



AUDIENCE FOR THIS ANALYSIS: TRIBES, THE ADMINISTRATION AND THE UNITED STATES  
CONGRESS

Efforts have been made to identify pertinent issues that impact Northwest Tribes and to provide a meaningful discussion of each. This information is intended to assist leaders of each of our 43 member tribes in making their own analysis of the budget proposal and its impact on their respective communities. It is also intended to serve as a useful analysis for tribes nationwide since in nearly every case the interests of tribes nationwide are the interests of Northwest Tribes. It is only by making these views known that effective budget policy can be developed. The Northwest Portland Area Indian Health Board and Northwest Tribes actively participate in attempts to develop consensus positions on budget priorities.

This analysis is distributed to the Administration and to congressional committees who finalize the annual IHS budget. Although the analysis is prepared for the tribes of the Northwest, the analysis is now made available to tribes throughout the country. It is distributed to the National Indian Health Board, National Congress of American Indians, Tribal Self-Governance Advisory Committee, Alaska Native Health Board, California Rural Indian Health Board, Aberdeen Tribal Chairman's Association, Inter-Tribal Council of Arizona, Montana-Wyoming Health Board, and the United South and Eastern Tribes. It was posted on the Board's website (at

<sup>1</sup>For more discussion on the "IHS Needs Based Budget," see: *The True Health Care Needs of American Indians and Alaska Natives*, Northwest Portland Area Indian Health Board, June 2003; available at [www.npaihb.org](http://www.npaihb.org).

www.npaihb.org) as soon as it is published so all tribes can consider its recommendations for their own use in the consultation process.

The Congress and the Administration must find common ground to maintain the purchasing power of health care resources, address unmet needs, and to facilitate service delivery that meets health objectives while maintaining fiscal discipline.

The Northwest Portland Area Indian Health Board estimates it will take \$371 million to maintain the current level of services provided in our health programs nationwide. Indian Health programs cannot afford to absorb such a large portion of mandatory cost increases year after year. The health and very lives of American Indian and Alaskan Natives are being put at risk by this chronic under-funding of the Indian Health Service budget. The most obvious effect of these lost revenues is fewer services and ultimately lower health status for American Indians and Alaska Natives. If tribes received mandatory cost increases there would be a decrease in the health disparities between the general population and American Indians and Alaska Natives.

Unfortunately, there is evidence that services have been cut despite the best efforts of Indian health programs. Further efficiencies in Indian health programs will be extremely difficult to attain. Cutting services for life threatening conditions are very likely, and in fact—some Northwest Tribes report that this is already the case in their programs.

#### RESTORED SERVICES WILL BE CUT DUE TO INADEQUATE FUNDING

There is strong evidence that services will be cut due to inadequate funding. After the 10 percent increase approved in the last Clinton Budget of fiscal year 2001 some services were restored. In fiscal year 2001, the number of service denials declined for the first time since 1993. In fiscal year 2004 the IHS deferred payment authorization for 156,862 recommended cases reached a new high and IHS funded programs denied care to 23,368 eligible cases, however, they were determined not to be within medical priorities (Priority One). These reported amounts understate the actual unmet need since many tribes no longer report deferred services because of the expense involved in reporting. More disturbing is that many IHS users do not even visit IHS facilities because they know they will be denied services due to funding shortfalls. Last year denial and deferred services increased to an unacceptable level.

In fiscal year 2002, the first year of the Bush Administration, the IHS received a budget increase of 5 percent. In 2003, the increase was 3 percent, in fiscal year 2004 the increase was just 2.1 percent, and again in fiscal year 2005 it is a mere 2.1 percent. This year's fiscal year 2006 President's request is again only a 2.1 percent increase when the reduction in new facilities construction is considered. The Northwest Portland Area Indian Health Board estimates the lost purchasing power during the first Bush Administration at \$886 million when the compounding effect of each year's absorption of mandatory cost increases is included in the estimate. The President's budget request is far less than what is needed to accomplish the stated goals of the Administration. It is very hard to argue that some of the management improvements have increased performance enough to cover these losses.

The unfunded amount for Catastrophic Health Emergency Fund (CHEF) cases totaled \$13.4 million in fiscal year 2004. There were 667 CHEF cases funded and 756 were not due to lack of funding. It is estimated that millions of dollars in unreported cases exist since Indian health programs do not report cases once they know the funding has been exhausted during the fiscal year. Nearly every one of the 20 tribes in attendance at the March 9, 2005 Budget workshop reported that they are already at Priority One. Others noted that they have shifted economic development funds to their contract health program to avoid priority one status. Tribes should not have to sacrifice their economic development to fund the federal obligation for health care services.

How will this funding gap be filled? Unfortunately, some believe increased revenues from tribes or from the Medicaid program are filling this gap. Last year every state planned cuts to its Medicaid program. Washington has proposed a benefit reduction and has proposed cost sharing premiums, which American Indian and Alaska Native will have to pay if things stand with CMS. The number of American Indians and Alaska Natives who lost their coverage is estimated to be as high as 2,400 in Oregon. Without Medicaid coverage, these people will seek out services at IHS and Tribally operated facilities.

The U.S. Commission on Civil Rights' reports "A Quite Crisis" and "Broken Promises" document the harsh realities of life in Indian Country. The reports discuss the United States' obligation to provide programs and services to Native Americans. In short, the report finds a crisis in the persistence and growth of unmet funding needs



of Indian programs and concludes that conditions in Indian Country could be greatly relieved if the federal government honored its treaty obligations and commitment to provide funding. The report offers eleven recommendations, which if implemented, would greatly improve the lives of Indian people. Two of those recommendations include exempting Indian programs from across-the-board rescissions and funding the unique needs of Indian Country (which includes funding the disparate health conditions of Indian people). Failure to fund anything less will only signify that this Country's agreements with Indian nations and other legal rights are only empty promises.

There seems to be a misconception in the Congress and with the general public that Indian Tribes are getting rich by operating casinos. That myth must be dispelled. Tribes are not getting rich through gaming. Like state lotteries, proceeds from Indian gaming must be used for purposes like building houses, schools, roads and sewer and water systems; to fund the health care and educational systems; and, to develop a strong, diverse economic base for the future. Tribes like all elected governments have many competing needs for resources and often dedicate a portion of gaming revenue to health care as this is what they have had to do to prevent illness and deaths due to funding shortfalls in their health programs. The health funding needs are so critical in Indian Country that gaming revenue alone will not solve the problem.

The NPAIHB's recommends an increase of 12 percent or \$317 million over fiscal year 2005 to fund current services and maintain the current program. Program increases above current services amount to \$228 million. The Northwest Portland Area Indian Health Board recommended increase for current services and program increase totals \$599.3 million. This amount is required if the Administration is serious about addressing health disparities. The enhancements include small facility construction, pharmacy, Information Technology improvements, and increases above current services for many of the line items in the budget. It adequately funds mandatory cost increases and addresses unmet needs for the Indian Health Service, and addresses disparities in health status between the general population and the American Indian/Alaska Native population.

This year's analysis continues to be dedicated to those who are suffering right now, just six months into fiscal year 2005, in health programs that are already in Priority One status. As we noted last year, there are a few members of Congress, some HHS bureaucrats, a reporter or two nationally that knows what the term means. Priority One means dishonor for all Americans and ill health for American Indians—this is beyond dispute for members of Northwest Tribes.

#### ACKNOWLEDGEMENTS

This analysis is based on over 16 years of contributions from delegates and staff of the Northwest Portland Area Indian Health Board including: Pearl Capoean-Baller, Chair; Julia Davis, former Chair; former Executive Directors: Doni Wilder (1990–1998) and IHS Portland Area Office Director; Cheryle Kennedy (1998–2000); and, Ed Fox, Executive Director (2000–current) and Jim Roberts, Policy Analyst.

- Senate Democratic (<http://www.senate.gov/budget/democratic/>) and Republican ([http://www.senate.gov/budget/republican/Budget Committee publications](http://www.senate.gov/budget/republican/Budget%20Committee%20publications.htm)).
- The House analysis is available at [www.house.gov/budget/prezbudget.htm](http://www.house.gov/budget/prezbudget.htm).
- The Budget for fiscal year 2006 (<http://www.whitehouse.gov/omb/budget/fy2006/>) is the President's budget request of February 7, 2005. It is actually a set of documents with narrative and statistical information on the President's proposed budget for fiscal year 2006.
- Congressional Budget Office (CBO <http://www.cbo.gov/>), *The Budget and Economic Outlook: Fiscal Years 2006–2015, January, 2005* and *Preliminary Analysis of the President's Budgetary Proposals for Fiscal Year 2006, March 4, 2005*. These documents examine the federal budget under different economic assumptions and provide estimates that are used for comparison to those of the President's Office of Management and Budget (OMB).
- Department of Health and Human Services fiscal year 2006. *DHHS Fiscal Year 2006 Budget In Brief, February 3, 2005* available at <http://www.hhs.gov/budget/docbudget.htm>.
- The Indian Health Service, *Justification of Estimates for Appropriations Committees Fiscal Year 2006* available at [www.ihs.gov/AdminMngrResources/Budget/index.asp](http://www.ihs.gov/AdminMngrResources/Budget/index.asp).
- Additional information about the U.S. Budget is available at the Center on Budget and Policy Priorities: <http://www.cbpp.org/pubs/fedbud.htm>.

THE FISCAL YEAR 2006 NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD BUDGET  
ANALYSIS AND RECOMMENDATIONS

The fiscal year 2006 President's request for the Indian Health Service (IHS) budget is \$3.05 billion and is an increase of \$62.9 million (2.1 percent increase) over last year's final enacted level. NPAIHB estimates that it will take \$371 million to maintain current services for IHS and tribally operated health programs. Thus, the President's request will fall short by \$308 million. The expenses associated with pay act increases and staffing for new facilities (\$27.4 million) and proposed program increases (\$35.4) exhausts the President's proposed increase of \$62.9 million. Despite the small overall increase, Table 1 depicts comparatively large increases for the health services account line items. This is achieved by postponing new facilities construction for one year. By doing so, IHS is able to allocate increases to tribally identified priorities in the health services line items such as Dental (9.8 percent increase), Mental Health (7.8 percent increase) and Public Health and Health Education (10 percent).

TABLE 1.—INDIAN HEALTH SERVICE BUDGET

[Dollars in thousands]

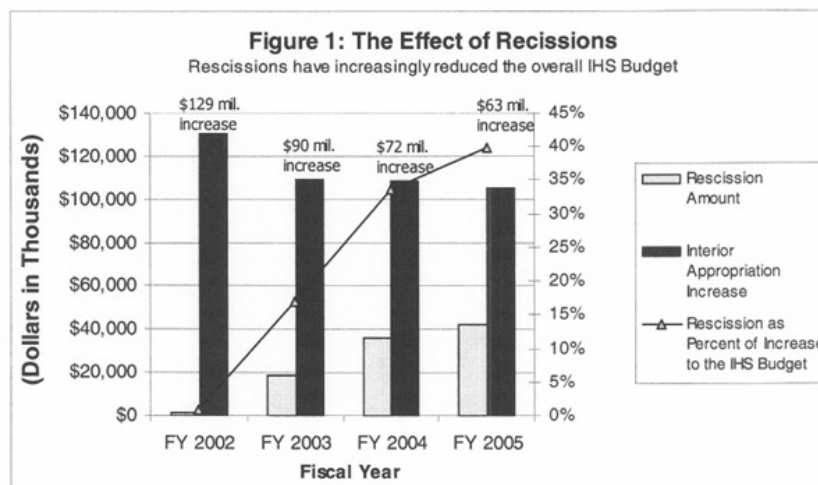
	Final		Change over fiscal year 2004	President's budget fiscal year 2006	Change over fiscal year 2005	
	Fiscal year 2004	Fiscal year 2005			Amount	Percent
Services:						
Hospitals & Health Clinics .....	\$1,249,781	\$1,289,418	\$39,637	\$1,359,541	\$70,123	5.4
Dental Health .....	104,513	109,023	4,510	119,489	10,466	9.6
Mental Health .....	53,294	55,060	1,766	59,328	4,268	7.8
Alcohol & Substance Abuse .....	138,250	139,073	823	145,336	6,263	4.5
Contract Health Services .....	479,070	498,068	18,998	525,021	26,953	5.4
Sub-total, Clinical Services .....	2,024,908	2,090,642	65,734	2,208,715	118,073	5.6
Prevention Health, Services:						
Public Health Nursing .....	42,581	45,015	2,434	49,690	4,675	10.4
Health Education .....	11,793	12,429	636	13,787	1,358	10.9
CHRs .....	50,996	51,364	368	53,737	2,373	4.6
AK Immunization .....	1,561	1,573	12	1,645	72	4.6
Sub-total, Prevention Health .....	106,931	110,381	3,450	118,859	8,478	7.7
Urban Health .....	31,619	31,816	197	33,233	1,417	4.5
Indian Health Professions .....	30,774	30,392	(382)	31,503	1,111	3.7
Tribal Management .....	2,376	2,343	(33)	2,430	87	3.7
Direct Operations .....	60,714	61,648	934	63,123	1,475	2.4
Self Governance .....	5,644	5,586	(58)	5,752	166	3.0
Contract Support Costs .....	267,398	263,683	(3,715)	268,683	5,000	1.9
Total, Services .....	2,530,364	2,596,491	66,127	2,732,298	135,807	5.2
Facilities:						
Maintenance & Improvement .....	48,897	49,204	307	49,904	700	1.4
Sanitation Facilities Const. ....	93,015	91,767	(1,248)	93,519	1,752	1.9
Health Care Facilities Const. ....	94,554	88,597	(5,957)	3,326	(85,271)	-96.2
Facil & Env Hlth Support .....	137,803	141,669	3,866	150,959	9,290	6.6
Equipment .....	17,081	17,337	256	17,960	623	3.6
Total, Facilities .....	391,350	388,574	(2,776)	315,668	(72,906)	-18.8
Total, IHS .....	2,921,714	2,985,065	63,351	3,047,966	62,901	2.1

## THE FINAL ENACTED FISCAL YEAR 2005 IHS BUDGET

The Consolidated Appropriations Act of 2005 (Public Law 108-447) initially provided \$3.03 billion for the Indian Health Service (IHS), however after two rescissions, the final enacted fiscal year 2005 IHS budget is \$2.99 billion. The final fiscal year 2005 IHS appropriation is a \$63.4 million increase, or a 2 percent increase, over the fiscal year 2004 spending level. Last year, the NPAIHB estimated that it

would take \$380 million just to maintain current services in fiscal year 2005. The fiscal year 2005 budget increase of \$63.4 fell short by \$316.6 million. Pay cost increases, staffing for new facilities, and program increases alone accounted for \$63.1 million. No funding was programmed for inflation and population growth in the final IHS fiscal year 2005 budget.

The approved fiscal year 2005 IHS budget includes an additional \$66.1 million, an increase of 2.6 percent, for the Health Services Accounts. The Health Facilities accounts were cut by .7 percent. Only three of the Health Facilities Construction accounts received any type of increase. Two years ago, the Health Facilities Construction account received a significant increase 13.6 percent (\$12.9 million) however it did not benefit any Northwest tribes. Portland Area tribes are supportive of using a new health facility construction priority system that would hopefully include funding for the type of facilities needed in the Northwest; funding that would include both facilities and staffing packages.



Congress continues the use of rescissions to deal with spending caps in the appropriations process. These rescissions have begun to have a significant impact on the IHS appropriations. Over the last four years, the rescissions as a percentage of the approved IHS budget have increased significantly. In fiscal year 2002, the rescission (\$1 million) was approximately 1 percent of the approved increase (\$130 million) for the IHS budget. In fiscal year 2003, the effect of the rescission (\$18 million) grew to 17 percent of the approved increase (\$109 million) for the IHS budget. In fiscal year 2005, the rescissions (\$42 million) have escalated to become 40 percent of the approved increase (\$105 million) for the IHS budget. Members of Congress can now have it both ways; they can first say they supported increases and then go on to say (after elections) that they supported fiscal responsibility by cutting funding. No one has even engaged the Congress in a discussion about how unfair and illogical across the board cuts are to IHS funded programs.

The information that follows describes how insufficient funding has created funding shortfalls that threaten health care services for American Indian and Alaska Native people.

#### FISCAL YEAR 2006: PRESERVING THE BASIC HEALTH PROGRAM FUNDED BY THE IHS BUDGET

Unfortunately, the fiscal year 2006 IHS budget falls far short of preserving the existing IHS programs. Tribes and IHS are focused on preserving the basic health care program funded by this budget. Preserving the purchasing power of the IHS base program should be the first budget principle, not an afterthought. How can unmet needs ever be addressed if the existing program is not maintained? Tribes have one overriding concern that is crucial to this discussion. There must be a trusting relationship between tribes who are concerned about improving their health status, the Administration that is charged with that responsibility, and the Congress who holds the purse strings. Tribes, IHS and Congress must continue to focus on the goals and objectives of the IHS program and assure that the necessary resources

are available to continue to make improvements in health status. If the Administration is serious about addressing health disparities it must improve its commitment to adequate funding for the Indian Health Service. If it is not serious it should stop highlighting these disparities as if words are the same as action.

THE OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget continues in its refusal to share vital budget information with Tribes. The “who-struck-john” table that allows tribes to understand where budget cuts were made is embargoed information. This table should be public information. The OMB could open the process even further by sharing budget information prior to the first Monday in February. The continued embargo of the fiscal year 2006 budget information allows the Administration to violate accepted standards of government-to-government consultation. Tribes have specifically requested that OMB allow the Department of Health and Human Services to share the OMB passback information with tribes so they can provide their comments to the Administration and the IHS to assist in preparation of its appeal to the Department and OMB. Sharing the final budget information with tribes would allow them to prepare their testimony for the oversight committees in a timely manner.

Tribes cannot be content with an under funded program that so deeply affects their communities. In the course of this budget review, the President’s budget request is evaluated, major issues and concerns are identified, and suggestions are provided that will benefit tribes and IHS. Recommendations for funding levels are also included. It is hoped that this document will be a valuable resource for the Administration, the Congress, and the congressional staff that are responsible for understanding the Indian Health Service Budget. The treaties, executive orders, and the legislation that tribes have fought so hard to achieve with the government of the United States remain the basic foundation of the unique status of health care for Indian people.

Table 2 Indian Health Service FY 2005 Budget Markup Summary (Dollar in Thousands) This table compares the Pres. Request to Senate and House Marks and Omnibus Mark (enacted)				
	PRESIDENT'S BUDGET	HOUSE MARK	SENATE MARK	ENACTED
	2,849,661	2,849,661	2,849,661	2,849,661
<b>CURRENT SERVICES:</b>				
Pay Cost	19,551	23,847	35,547	12,750
Tribal Pay Cost	15,995	20,001	0	23,458
Staffing for New Facilities	25,462	16,737	25,462	23,064
Contract Support Cost	0	2,500	0	0
<i>Health Care Facilities Construction</i>				
Pinon, AZ - Hlth Clinic	21,573	19,577	0	19,577
Red Mesa, AZ - Hlth Clinic	30,000	30,000	0	30,000
St. Paul, AK - Hlth Clinic	0	6,520	0	6,520
Metlakatla, AD - Hlth Clinic	14,511	9,205	0	9,205
Sisseton, SD - Hlth Clinic	3,863	17,960	0	17,960
Eagle Butte, SD - Hlth Clinic	0	2,800	0	2,800
Bethal, AK - Hlth Clinic	0	5,000	0	0
Dental Units	0	1,000	0	0
Regional Youth Treatment	0	0	0	3,672
Sub-Total Hlth Facilities Const.	69,947	92,062	0	89,734
Health Facilities Construction	-2,053		10,392	
<b>Sub-Total, Current Services</b>	<b>58,956</b>	<b>63,085</b>	<b>71,401</b>	<b>59,273</b>
<b>PROGRAM INCREASES:</b>				
IHCIF	0	2,500	0	-2,500
Contract Health Services	24,916	0	15,000	7,000
Lawton, OK Hospital	0	1,500	0	0
Dental Health Volunteer Program	0	251	0	0
Maintenance & Improvement	0	2,176	0	0
Equipment	0	1,000	0	0
Urban Indian Hlth Programs	0	446	0	
Restore Base Program Funding	0	31,317	0	
Management/IT Restoration	0	30,170	0	
Uniform Financial Mgmt System	0	6,436	0	
Direct Operations	0	4,864	0	
Health Facilities Construction	0	22,115	0	
Sanitation	20,000	0	0	
AK Telemedicine	0	0	500	
Mobile Woman's Hlth Unit	0	0	850	850
ANTHC Equipment	0	0	300	0
King Cove Staffing - AK	0	0	0	500
<b>Sub-Total, Program Increases</b>	<b>44,916</b>	<b>102,775</b>	<b>18,650</b>	<b>5,850</b>
<b>PROGRAM DECREASES:</b>				
Admin/Mgmt Reductions	-21,334	0	0	
Information Technology	-9,282	0	0	
Self-Governance Reduction	0	-4,536	0	0
Indian Hlth Professions	0	-4,259	0	
Contract Health Services	0	-15,000	0	
Sanitation Facilities	0	-20,000	0	
<b>Sub-Total, Program decreases</b>	<b>-30,616</b>	<b>-43,795</b>	<b>0</b>	<b>0</b>
<b>Total Net Change</b>	<b>73,256</b>	<b>98,981</b>	<b>88,051</b>	<b>72,053</b>
<b>GRAND TOTAL</b>	<b>\$2,922,917</b>	<b>\$2,948,642</b>	<b>\$2,937,712</b>	<b>\$2,921,714</b>

#### Medicare and Medicaid Collections

The IHS Congressional Justification document proposes that the IHS and Tribes will increase their Medicare and Medicaid collections by \$8.4 million in fiscal year 2006. While the IHS and Tribes have significantly increased their ability to collect third party reimbursements, the Medicare and Medicaid programs have entered a period of no growth or actual reductions in collections.

The Medicare Modernization Act (MMA) will be fully implemented in 2006 and it will negatively impact the ability of Indian health systems to collect third party resources from this very important program. The President has also proposed \$48 billion in cost savings in the Medicaid program over the next ten years and current discussions are underway for Medicaid reform. Tribes support the concept of a Medicaid Commission and welcome the invitation to be a part of that Commission's work. The prospect of IHS and Tribal programs increasing Medicaid collections is not likely given the President's proposed savings and the fact that states continue efforts to balance their budgets with cost containment in Medicaid programs.

Increasing Medicare collections will be difficult since the MMA fails to adequately integrate Indian health programs into the prescription drug program. It fails to protect the right of elderly and disabled Indian people to receive prescription drug coverage without charge from the federal government. The new program raises significant issues of access and cost-sharing which will impact how and where elderly and disabled Indians get coverage. The Medicare program also threatens to significantly

reduce reimbursements to Indian health programs for prescription drugs provided by IHS and Tribally operated programs.

Beginning in 2006, Medicare enrolled-seniors who previously got their pharmacy coverage under Medicaid (Dual-Eligibles) will be required to choose or be assigned to a private prescription drug plan. There is no guarantee that if they continue to receive prescriptions from Indian programs or that payment will be made to the I/T/U programs. It is estimated that there are 25,963<sup>2</sup> to 30,544<sup>3</sup> individuals in the IHS patient database who are receiving both Medicare and Medicaid. While there is no comprehensive data on the per-capita drug costs for dual-eligibles in the Indian health system, estimates can be made by examining average state per-capita spending for this population. In 2002, the average per-capita spending for dual-eligibles was \$918.<sup>4</sup> This is thought to be a very conservative figure for Indian Country, in view of the higher rates of illness that have expensive drugs associated with their treatment, including diabetes and mental illness. Thus, if this average is projected to 2006, the expected average per capita spending on drugs for dual-eligibles would be \$1,756. Using these population and per-capita spending data, it is estimated that the Medicaid payments for dual eligible drug costs to Indian health programs ranges from \$23 million to \$53 million.<sup>5</sup> <sup>6</sup> NPAIHB estimates that between \$10 million to \$25 million in payments are likely to be lost by Indian health programs unless tribally recommended changes are made. The President's proposed budget fails to take into consideration this dramatic effect of the MMA on the Indian health system. In fact, the dual eligible issue could result in as much as a 20 percent decrease in Medicare collections for the IHS and Tribal health programs. In their present form, the Part D rules would jeopardize the ability of the Indian health system to maintain this level of dual eligible (Medicaid) reimbursements. These important revenues must be protected.

The state fiscal crisis continues to threaten the viability of IHS and Tribal health programs as states continue efforts to contain costs in Medicaid programs. At the end of 2004, there were at least 22 states across the country that projected funding shortfalls averaging from 6–8 percent of their general fund spending. Over half of these states have American Indian tribes in them. Oregon and Washington are two of the states that project funding shortfalls. Despite improving revenues, projected state deficits threaten many public services including the Medicaid program. This will negatively impact the ability for Tribes to obtain Medicaid reimbursements.

The unique status of tribes and Indian people has also been challenged by the Executive branch. In 2004, CMS informed Oregon and Washington that it would not approve waiver amendments containing special provisions for Indian participation in the Medicaid program. This is a departure from past CMS policy, in which Indian people were allowed special provisions for participation in Medicaid and SCHIP programs. CMS indicates that such treatment would have consequences related to the Civil Rights Act of 1964. The former CMS policy is one that acknowledges the federal government's unique legal responsibilities under the trust obligation to provide recognized privileges to American Indians and Alaska Natives. This standard holds that the federal government's unique legal responsibilities under the trust obligation provide recognized privileges to American Indians and Alaska Natives. It is a standard that permits American Indians and Alaska Natives to be treated differently in federal programs because of the political status of Tribes as sovereign nations and is the standard that should be followed by CMS in determining eligibility, access to services and cost sharing issues for American Indian and Alaska Native people.

Congress acknowledges the Federal trust responsibility for Indian health on a continuing basis through annual appropriations to the Department of Health and Human Services for the operation of Indian Health Service programs, in fiscal year 2005, a total of \$3 billion was supplied for provision of health services and health facility needs in Indian Country. This budget is supplemented by some \$600 million collected by Indian health programs from Medicare, Medicaid and other third-party insurance sources. By including Medicare and Medicaid collections in the IHS appropriations, Congress expects that these resources will be available to IHS and

<sup>2</sup>This number represents 85 percent of the three-year total of active users.

<sup>3</sup>This is the number of active users, defined as at least one visit in the past three years.

<sup>4</sup>From Table 2, "Full" Dual Eligible Enrollment and Prescription Drug Spending, by State, 2002, in "The 'Clawback': State Financing of Medicare Drug Coverage" by Andy Schneider, published by the Kaiser Commission on Medicaid and the Uninsured, June 2004.

<sup>5</sup>This low number was calculated using the 25,963 figure for dual eligibles in 2003 and the \$918 per capita spending in 2002. It is probably unrealistically low for 2006 given the increase in aging population in Indian Country and the increase in drug prices.

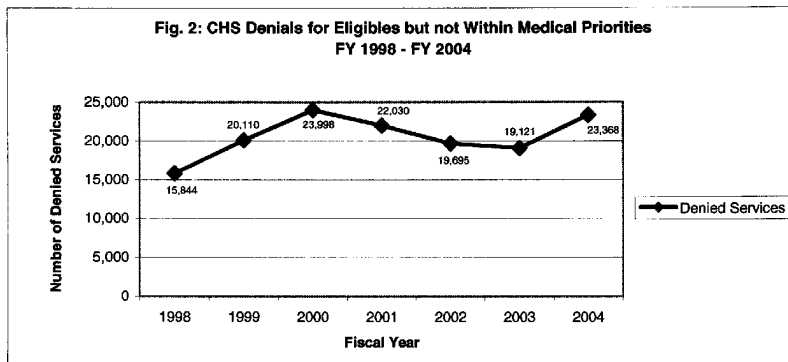
<sup>6</sup>This higher number uses the 30,544 number of dual eligibles in 2003 and the \$1,756 estimated spending in 2006.

Tribes in order to provide health services to American Indian and Alaska Native people.

The Medicaid program could be a more effective means of financing Indian health programs if it would exempt American Indians and Alaska Natives from cost sharing including co-pays, premiums and any other form of cost sharing. It makes little sense to Indian people to sign up for a health program that charges them for health care services that their tribe gave up lands and other considerations to secure for all generations. The practical effect is that they will not sign up for Medicaid and the IHS funded programs will end up paying all the costs of their health care. If this becomes the case, CMS will save the federal government millions of dollars, but renege on rights guaranteed by law and treaties. The Administration or Secretary of HHS could easily exempt American Indians and Alaska Natives from these cost sharing requirements. The Senate Committee on Indian Affairs fiscal year 2006 Views and Estimates letter supports this same exemption. Tribes in the Northwest have repeatedly stated their preference for full funding of the health needs of American Indians and Alaska Natives by fully funding the Indian Health Service over grants or increases in Medicare and Medicaid collections. However, most tribes are reconciled to the fact that all revenue sources must be pursued until some type of entitlement to full funding is secured through the IHS budget. The past four years' reductions in state Medicaid programs do call into question the wisdom of relying on this uncertain source of income. Northwest Tribal leaders again call on the Congress to consider making Indian health an entitlement similar to the Medicare program promise to those over 65 years.

CURRENT SERVICES BUDGET: MAINTAINING THE CURRENT HEALTH PROGRAM AND THE  
PRESIDENT'S PROPOSED FISCAL YEAR 2006 IHS BUDGET

This year's fiscal year 2006 IHS budget increase of \$62.9 million (an increase of 2.1 percent) is far short of the \$371 million needed to maintain current services. In addition, Portland Area tribes are recommending an additional \$228 million for program increases to addresses health priority needs. This brings the total recommended increase to \$599 million or 20 percent (see Table 4).



Current services estimates' calculate mandatory costs increases necessary to maintain the current level of services. These "mandatories" are unavoidable and include medical and general inflation, pay costs, staff for recently constructed facilities and population growth. The 10 percent increase received in fiscal year 2001 was the last budget that allowed tribes to reduce denials of services. The Northwest Portland Area Indian Health Board estimates a fiscal year 2006 current services need of \$371,293,000. This is the amount necessary to fund inflation and population growth and fully fund contract support costs. Anything less will continue the trend of denied health care services as illustrated above.

There are a number of ways to compute current services. The Indian Health Service usually estimates pay cost increases and reports this as separate from inflation. The reason for this has less to do with budget presentation and more with the simple fact that since Congress passes a pay act each year these are costs that are very precisely computed for federal employees. The Indian Health Service has also added reasonable tribal pay estimates and also reports these. The pay act is legislation that requires compliance, no matter how long it may take the President to act on pay cost increases. Last year, the Consolidated Appropriations Act that the Presi-

dent signed included a 3.5 percent overall average pay increase for Federal employees, which became effective on the first day of the first applicable pay period beginning on after January 1, 2005.

TABLE 3.—SUMMARY OF MANDATORY COST INCREASES (CURRENT SERVICES)

[In thousands of dollars]

Mandatory Cost	Increase needed to maintain current services
CHS inflation estimated at 12.5 percent .....	62,259
Health Services Account (not including CHS) inflation estimated at 7.5 percent .....	127,182
Facilities Inflation Needs (M&I, Sanitation, etc) .....	15,325
Contract Support Costs (unfunded amount) .....	112,000
Population Growth .....	54,526
<b>Total Mandatory Costs .....</b>	<b>371,293</b>

*Note on Medical Inflation.*—Medical Inflation is estimated at between 8 to 14 percent in the Northwest states of Oregon, Washington and Idaho. Health care analysts understand that increases in medical spending reflect increases in the value of services and pharmaceuticals and not simply inflation as measured for most goods and services. Medicare and Medicaid will increase their spending by 9 percent in fiscal year 2006, but NPAIHB assumes Indian health programs will not achieve the same level of cost containment due to the lack of large group purchasing power.

In the Northwest Portland Area Indian Health Board proposed budget (Table 4), pay act costs are not displayed separately from general and medical inflation costs. Personnel inflation is a part of the overall inflation adjustment and does not need a special treatment for the purposes of calculating a current services budget. The proposed budget applies an 8 percent inflation adjustment in fiscal year 2006 for the health services accounts. This amount is added to the fiscal year 2005 budget as the estimated amount needed just to maintain current services. The CHS account has a separate adjustment of 12.5 percent since 100 percent of this line item is subject to the higher level of medical inflation for specialty and hospital care. The Urban line item is also estimated at 12.5 percent as a result of inflation and the lack of any real increases in past years. Contract Support Costs need is estimated at \$112 million amount, the amount provided by the Office of Tribal Activities, and includes inflation and past year's shortfalls. Finally, the facilities account estimate uses a 4 percent adjustment since the inflation rate for facilities activities is similar to the general inflation rate.

TABLE 4.—COMPARING PRESIDENT'S FISCAL YEAR 2006 REQUEST TO CURRENT SERVICES BUDGET

	Enacted fiscal year 2005 19-Nov-2004	President's request 2006 7-Feb-2005	Change over fiscal year 2005	Increase for inflation	Current services	(President's is less)
<b>SERVICES:</b>						
Hospitals & Clinics .....	\$1,289,418	\$1,359,541	\$70,123	\$90,259	\$1,379,677	— \$20,136
Dental Health .....	109,023	119,489	10,466	7,632	116,655	2,834
Mental Health .....	55,060	59,328	4,268	3,854	58,914	414
Alcohol Substance Abuse .....	139,073	145,336	6,263	9,735	148,808	— 3,472
Contract Health Services .....	498,068	525,021	26,953	62,259	560,327	— 35,306
Public Health Nursing .....	45,015	49,690	4,675	3,151	48,166	1,524
Health Education .....	12,429	13,787	1,358	870	13,299	488
CHRs .....	51,364	53,737	2,373	3,595	54,959	— 1,222
AK Immunization .....	1,573	1,645	72	110	1,683	
Urban Health .....	31,816	33,233	1,417	3,977	35,793	— 2,560
Health Professions .....	30,392	31,503	1,111	1,216	31,608	— 105
Tribal Management .....	2,343	2,430	87	94	2,437	— 7
Direct Operations .....	61,648	63,123	1,475	2,466	64,114	— 991
Self Governance .....	5,586	5,752	166	223	5,809	— 57
Contract Support Costs .....	263,683	268,683	5,000	<sup>1</sup> 10,547	274,230	— 5547
<b>Total, SERVICES .....</b>	<b>2,596,491</b>	<b>2,732,298</b>	<b>135,807</b>	<b><sup>2</sup> 189,441</b>	<b>2,796,479</b>	<b>— 53,634</b>
<b>FACILITIES:</b>						
Maintenance & Improvement ....	49,204	49,904	700	1,968	51,172	— 1,268
Sanitation Facilities .....	91,767	93,519	1,752	3,671	95,438	— 1,919



TABLE 4.—COMPARING PRESIDENT'S FISCAL YEAR 2006 REQUEST TO CURRENT SERVICES  
BUDGET—Continued

	Enacted fiscal year 2005 19-Nov-2004	President's request 2006 7-Feb-2005	Change over fiscal year 2005	Increase for inflation	Current services	(President's is less)
Health Care Facilities Construc- tion .....	88,597	3,326	(85,271)	<sup>3</sup> 3,326	3,326	.....
Facil & Env Hlth Support .....	141,669	150,959	9,290	5,667	147,336	3,623
Equipment .....	17,337	17,960	623	693	17,869	— 70
Total, FACILITIES .....	388,574	315,668	— 72,906	15,325	315,141	— 88,231
Total, IHS .....	2,985,065	3,047,966	62,901	204,766	3,111,620	— 141,865
Other increases:						
Population Growth .....				54,526	54,526	— 54,526
Contract Support Cost (CSC) ....				112,000	112,000	— 112,000
Subtotal Pop. Growth/CSC ....				166,526	166,526	— 166,526
Program Enhancements .....					228,000	.....
Totals .....	2,985,065	3,047,966	62,901	371,293	599,293	— 308,392
Percent increase .....			2.11	12.4	20.1	.....

<sup>1</sup> Contract Support Costs (CSC) are calculated for inflation at 4 percent, however are not factored into the total for increase for Inflation column. Rather, the CSC estimate of \$112 million is used to determine the total increase required for CSC inflation. (Source: Indian Health Service, Office of Tribal Activities)

<sup>2</sup> Does not include \$10,547 CSC increase (see footnote above).

<sup>3</sup> The President cut the Health Facilities construction line item by \$85 million; this is good budgeting practice until the IHS completes its revision of the Health Facilities Construction Priority System. This will allow the facilities construction needs of Indian Country to be re-prioritized with current data and reflect the true health facility needs of Indian people.

#### FISCAL YEAR 2006 SLIGHT INCREASE FOR INFLATION AND POPULATION GROWTH IS INADEQUATE

The President's fiscal year 2006 IHS budget request includes \$46 million for inflation and \$33.4 million for population growth. IHS and Tribal health programs have not received funding for population growth since 1993 so this year's increase is a welcome recognition of the need to provide funds for this mandatory cost increase. Tribes have long testified that resources must increase to compensate for population growth just as they must increase for actual inflation costs. If one takes the American Indian population growth rate of 2.1 percent (the actual increase in 2004 user population) and multiplies this by the health services account it results in a suggested increase of \$54.5 million for fiscal year 2006. At a minimum, IHS and tribal health programs will require this amount to keep pace with population growth. The President's budget falls short by \$21 million for funding population growth. There has been no additional funding to cover the population increase of approximately 17 percent between 1995 and 2005.

Population growth is built into the funding mechanisms for the Medicare and Medicaid budgets. Medicare is only now beginning to absorb the retiring baby boomers and growth will increase expenditures from \$325 billion in fiscal year 2006 to \$520 billion in fiscal year 2010.<sup>7</sup> Medicaid expenditures are projected to increase from \$186 billion in fiscal year 2005 to \$262 billion over the same period. Medicare and Medicaid are entitlement programs that automatically receive population growth increases. That is one reason why annual Medicaid and Medicare expenditures growth is estimated at 7 percent over the next five years. If more participate, funds increase accordingly. It is inequitable that health services for American Indians and Alaska Natives are not likewise increased when the Indian population increases. Unlike Medicaid and Medicare, where spending increases are automatic to accommodate growth of enrollees, for the Indian Health Service budget population growth adjustments can only be secured by approving appropriations increases.

<sup>7</sup> Source.—The Budget and Economic Outlook: fiscal years 2006 to 2015, Congressional Budget Office, January 2005.

## TRIBAL RECOMMENDATIONS FOR PROGRAM INCREASES

Portland Tribes debated various program increases that they felt were essential to address current priority needs. Facilities funding for small ambulatory clinics continues to be a high priority for the Portland area. The balance of the increases are basic increases for high priority issues (line items) such as Mental Health, Alcohol and Substance Abuse, Public Health Nurses, Community Health Representatives, and Health Education. Many of these increases supported important components necessary to address long term care needs for the growing elder population in Indian communities. There was a spirited discussion on keeping the request within the bounds of political feasibility. Everyone who participated felt that the funding increases for the line items listed above were far short of what was needed. However, it was decided that they wanted to highlight these areas as key opportunities to make major improvements in health status. It was a very difficult decision not to add funding in every line item, but a decision was made to limit increases to what was felt might be politically feasible.

TABLE 5.—IHS BUDGET PROGRAM INCREASES

[In thousands of dollars]

	Amount
CHS Unfunded Need, Deferred Services, and Denials of CHEF .....	55,000
Mental Health .....	18,000
Alcohol and Substance Abuse .....	15,000
Public Health Nursing .....	5,000
Health Education .....	5,000
Community Health Representatives .....	5,000
Self Governance .....	5,000
Pharmacy .....	30,000
Information Technology .....	20,000
Sanitation Facilities Construction .....	10,000
Small Ambulatory Clinics .....	25,000
Joint Venture .....	15,000
M & I .....	5,000
Guaranteed Loan Program .....	15,000
Total .....	228,000

It was noted that this increase above current services raises the Portland Area request to a level that may not be politically feasible (from the basic current services amount of 12.8 percent to 18.8 percent with these program increases), but it was decided that highlighting these priorities was necessary to indicate to the Congress areas especially deserving of increases above current services levels.

## STAFFING FOR NEW FACILITIES

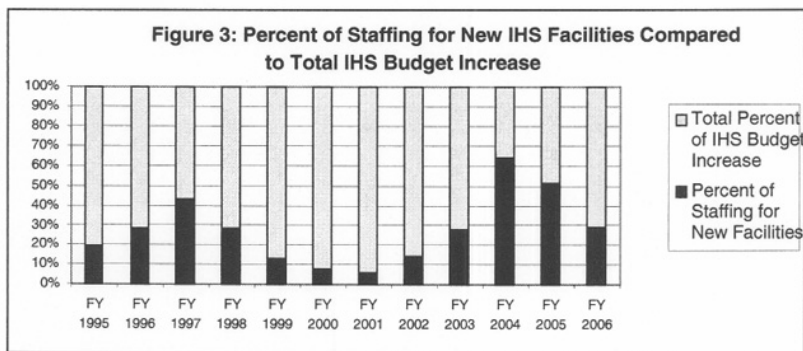
Staffing the new facilities opening at the following locations—Pinon, AZ; Idabel, OK; Coweta, OK; Red Mesa, AZ; Sisseton, SD; and St. Paul, AK—will require \$18.4 million in fiscal year 2006. The “new staffing package” becomes a recurring appropriation. The increase associated with staffing for new facilities is more than the amount of applied to other mandatories so its benefit to Indian Health Service programs calls into question the wisdom of building these facilities if funding is not available to maintain current programs.

TABLE 6.—STAFFING NEW FACILITIES

[In thousands of dollars]

Facility	Staffing Cost
Pinon, AZ Health Center .....	4,119
Idabel, OK Health Center .....	562
Coweta, OK Health Center .....	6,960
Red Mesa, AZ Health Center .....	3,171
Sisseton, SD Health Center .....	3,524
St. Paul, AK Health Center .....	144
Total .....	18,480

The significance of staffing new facilities is that it removes from distribution funds necessary to maintain current services. Staffing packages for new facilities are like pay act costs in two respects: (1) They come “off the top,” i.e., they are distributed before other increases, and (2) They are recurring appropriations. Northwest Tribes frequently ask: Why did our health program receive a 1 percent increase in funding this year when we were told there was a 2 percent or 3 percent increase for the Indian Health Service budget? In fiscal year 2004, the IHS received a 2.1 percent increase; however Portland Area Tribes realized less than a 1 percent increase in their health care budgets. In fiscal year 2004, the new staffing was over 60 percent of the IHS budget increase. In fiscal year 2005, new staffing costs accounted for over 50 percent of the increase. As the graph illustrates, the reason for this gap between the annual approved increases for the IHS accounts and actual program level increases is the cost of staffing new facilities.



Staffing costs are obviously legitimate costs that must be provided when a new facility is built. Unfortunately, the existing programs absorb the cost of mandates for new facilities rather than an additional appropriation. As Table 7 (below) highlights, the staffing of new facilities has received 27.7 percent of all increases in the IHS health services account over the past 12 years. In fiscal year 2006, \$18.5 million will go to staffing new facilities. This amount is down from last year, however it is still quite significant. If scheduled new facilities construction proceeds as planned, it is estimated that this percentage will rise to over 50 percent of the overall IHS budget in fiscal year 2007 through 2010. NW tribes cannot support this level of funding for staffing when we do not have enough funding to maintain current services.

TABLE 7.—PERCENTAGE OF TOTAL IHS INCREASE EXPENDED ON STAFFING FOR NEW FACILITIES

Fiscal year	Percent
1995 .....	19.1
1996 .....	28.3
1997 .....	43.2
1998 .....	28.7
1999 .....	13.0
2000 .....	8.0
2001 .....	5.8
2002 .....	14.2
2003 .....	27.8
2004 .....	64.0
2005 .....	51.0
2006 .....	29.4
Average .....	27.7

Once we subtract pay act costs (\$29.3 million in fiscal year 2006) and the costs of staffing newly opened facilities (\$18.49 million), there is simply no money left to maintain the current health care program. Since the President has requested only an overall \$62.9 million increase, there is a balance of \$15.1 million left for the rest of the IHS budget. Since the actual pay act increase will probably be from 2 to 3

percent, the balance will be less than one-third the amount needed for federal and tribal employees pay increases.

#### HEALTH SERVICES ACCOUNT

##### *The Compounding Effect of Multi-year Funding Shortfalls*

Table 8 below demonstrates the loss of real resources in the Health Services Account due to increases that have been inadequate to pay for cost increases due to inflation (medical and general) and population growth. The inflation and population figures presented in Table 8 are based on the NPAIHB previous year's analysis and recommendations to fund current services. Table 5 illustrates the annual and cumulative impact of annual under-funding of mandatory cost increases. This information is depicted graphically in Figure 1 of this document.

TABLE 8.—INDIAN HEALTH SERVICES ACCOUNT FISCAL YEAR 1993–FISCAL YEAR 2006

[In thousands of dollars]

Year	Approved health services budget	Budget with inflation & growth adjustment	Real resource loss
1993 .....	1,524,990	1,540,087	15,097
1994 .....	1,646,088	1,644,195	– 1,893
1995 .....	1,707,092	1,744,221	37,129
1996 .....	1,745,309	1,847,113	101,804
1997 .....	1,807,269	1,945,326	138,057
1998 .....	1,841,074	2,060,512	219,438
1999 .....	1,950,322	2,274,992	324,670
2000 .....	2,074,173	2,411,496	337,323
2001 .....	2,265,663	2,610,497	344,834
2002 .....	2,389,614	2,630,009	240,395
2003 .....	2,475,916	2,644,996	169,080
2004 .....	2,530,364	2,661,614	131,250
2005 .....	2,596,492	2,804,211	207,719
2006 .....	2,732,298	2,923,559	191,261
Total real resources lost fiscal years 1993–2005 .....	.....	.....	2,456,165

The loss of purchasing power over the past fourteen years is conservatively estimated at \$2.46 billion. It is difficult to estimate how much collections from Medicaid (and to a lesser extent Medicare) have reduced these shortfalls. One reason for the difficulty is that collections estimates are understated in each year of the IHS budget justification because only IHS facilities' collections are reported. One thing is clear, and that is Medicaid collections have not grown in the Portland Area in the past three years due to the state fiscal crisis in Oregon and Washington. States nationwide are continuing to cut benefits and eligibility for the Medicaid program in an attempt to balance state budgets.

The following section reviews the IHS budget at the “sub-subactivity” level for the health services account. The number in the parenthesis is the page number in the Congressional Justification for the Indian Health Service fiscal year 2006 budget. The reader will note that the percentage increase for each line item is well over the average proposed fiscal year 2006 increase for the Department of Health and Human Services.

TABLE 9.—HOSPITALS AND CLINICS FOR FISCAL YEAR 2006

[In thousands of dollars]

	Amount
President Request .....	1,289,418
Increase/Decrease (5.4 percent) .....	70,123
NPAIHB Current Services Estimate .....	1,379,677
President's Proposed .....	1,359,541
Shortfall .....	20,136

## HOSPITALS AND CLINICS (IHS 3)

The Hospitals and Clinics line item would receive \$1,289,418,000 under the Administration's request. The Administration's request is \$20.1 million short of the amount needed to maintain services. Pay act cost increases for this account total \$20.5 million and staffing new facilities requires an additional \$18.5. This account will also receive \$18.2 million for population growth and \$15.9 million for inflation, bringing the total current services for this line item to \$73.1 million. The Administration's increase of \$62.9 million will not even cover the cost of the proposed current service increases.

This line item funds hospitals and many services some might expect to find under administrative costs such as information technology. In some Areas, funds that should be under contract health care are actually found in the H & C line item. The Portland Area receives far less per capita than most areas from this line item, under 5 percent of all funding despite Portland's nearly 7 percent share of the IHS user population. There are logical reasons for this, most importantly, the lack of expensive hospitals in the Portland Area (one of two areas with no hospitals) and the high costs associated with service delivery in Alaska.

## EPIDEMIOLOGY CENTERS

*Permanent Funding for the Northwest Tribal Epidemiology Center (IHS 10)*

IHS funds 8 Epidemiology Centers, seven tribal and one urban. One of these centers, the Northwest Tribal Epidemiology Center (The EpiCenter), is located in the Portland Area at the Northwest Portland Area Indian Health Board. The EpiCenter is providing epidemiological and programmatic assistance on a variety of health issues. It has taken the lead in helping Northwest Tribes work to achieve the Health Status Objectives specified in the Indian Health Care Improvement Act Amendments of 1992. The eight Epi-Centers include:

- Alaska Native Epi-Center, Anchorage, AK
- Great Lakes Inter-Tribal Epi-Center, Bemidji, MN
- Inter-Tribal Council Epi-Center, Phoenix, AZ
- Northern Plains Epi-Center, Rapid City, SD
- NPAIHB Epi-Center, Portland, OR
- Oklahoma Area Epi-Center, Oklahoma City, OK
- United South and Eastern Tribal Epi-Center, Nashville, TN
- Seattle Indian Health Board Epi-Center, Seattle, WA

The Board would like tribal EpiCenters to be funded at a level that will enable them to be a fully functional epidemiological and surveillance centers. Recent increases have allowed the NPAIHB EpiCenter to be funded at a level that allows it to provide professional, high quality work for Indian health programs. Last year, the Board supported the President's proposed increase of \$2.5 million for EpiCenters in order to fund two new centers and to raise the amount of funding for current EpiCenters. There is likely to be another EpiCenter that will be added in fiscal year 2006 and additional funding will be needed in order to sustain the current level of effort. There is some merit in having an EpiCenter in each area, but this goal must compete with other Indian Health Service priorities. The feasibility of having EpiCenters in each of the 12 IHS Areas must be seriously examined before expanding to all 12 areas.

## THE INDIAN HEALTH CARE IMPROVEMENT FUND

The Indian Health Care Improvement Act Amendments of 1992 authorized the Indian Health Improvement Fund plus additional initiatives to address the unmet health needs of Indian communities. The Level of Need Funded (LNF) methodology, now termed the Federal Employees Health Benefit Package Disparity Index (FDI), has been used to distribute funds appropriated to the fund. Tribes expect some appropriation to be included each year to raise tribes' funding level. In fiscal year 2005 \$18 million will be distributed using the FDI formula.

## HIPAA

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that IHS and tribal health programs comply with national standards for electronic health care transactions and protect the security and privacy of health data. The fiscal year 2003 budget appropriation included \$850,000 to implement the new privacy standards. Of major importance in the HIPAA legislation is the issue of data and transaction standardization—a mandate very few healthcare providers can sidestep if they bill third parties for services provided to patients. There is no funding

in fiscal year 2006 to comply with the on-going special requirements of HIPAA. This un-funded mandate deserves an on-going appropriation until it is fully implemented.

TABLE 10.—DENTAL HEALTH

[In thousands of dollars]

	Amount
President's Request .....	119,489
Increase/Decrease (9.6 percent) .....	10,466
NPAIHB Current Services Estimate .....	7,632
President's Proposed .....	10,466
Shortfall .....	(2,834)

## DENTAL SERVICES (IHS 13)

The President's increase of \$10,466,000 represents a 9.6 percent increase for the Dental Health services account. While the amount is \$2.8 million more than the NPAIHB's estimate to maintain current service, it will not cover the programming costs proposed by the President. The fiscal year 2006 request includes \$2 million to cover pay cost increases and \$5.8 million is for phasing-in of new dental staff at Pinon, AZ; Idabel, OK; Coweta, OK; Red Mesa, AZ; Sisseton, SD; and St. Paul, AK. Dental Services is also slated to receive increases of \$1.1 million for inflation and \$1.5 million for population growth. The increases for current services total \$11.4 million, and are \$900,000 more than the President's recommended increase of \$10.4 million.

This is an increase that is very much appreciated by IHS and tribal dental programs especially since both Washington and Oregon, as have other states, have eliminated adult dental services from their Medicaid programs. This will mean additional users to the IHS system. Indian dental programs are unparalleled in their ability to provide efficient and effective health care services to the patients who need dental care. The Board has one of the seven Dental Support Centers that provide consultation services to area health programs.

TABLE 11.—MENTAL HEALTH

[In thousands of dollars]

	Amount
President's Request .....	55,328
Increase/Decrease (7.8 percent) .....	4,268
NPAIHB Current Services Estimate .....	3,854
President's Proposed Increase .....	4,268
Shortfall .....	(414)

## MENTAL HEALTH (IHS 16)

This request of \$59.3 million is a 7.8 percent increase over last year's line item and is adequate to cover the NPAIHB estimated costs of \$58.9 million to maintain current services. The Mental Health line item also received a decent increase in fiscal year 2004. Tribes appreciate the attention to this very important area. Suicides occur more frequently (72 percent higher) and among younger people in the Indian population with the age group 15–24 having the highest rate. This is a shocking statistic. Consider that the highest rate for non-natives is for individuals over 74 years and one can conclude that a horrendous loss of productive years needs to be addressed in a concerted effort. Pay costs and new staffing packages will take 66 percent of the increase, leaving the balance to cover the costs of \$1.6 million to cover inflation and population growth. None of the increase will provide for expanded services by current programs.

TABLE 12.—ALCOHOL &amp; SUBSTANCE ABUSE

[In thousands of dollars]

	Amount
President's Request .....	145,336
Increase/Decrease (4.5 percent) .....	6,263

TABLE 12.—ALCOHOL &amp; SUBSTANCE ABUSE—Continued

[In thousands of dollars]

	Amount
NPAIHB Current Services Estimate .....	9,735
President's Proposed Increase .....	6,263
Shortfall .....	3,472

## ALCOHOL AND SUBSTANCE ABUSE (IHS 21)

Alcohol and substance abuse continues to be the highest priority identified by tribal leaders and health directors during the IHS budget formulation process. The fiscal year 2005 enacted level for this account is barely a 1 percent increase over fiscal year 2004. This year's proposed increase of 4.5 percent reflects tribal priorities during the IHS budget formulation process. However, it will fall short of maintaining current services by \$3.4 million. More needs to be done to address the circle of violence, depression, intergenerational violence, and domestic abuse in tribal communities. The cost for treatment of alcohol and substance abuse is increasing at a rate that exceeds the availability of funds. The use of methamphetamine is on the rise throughout Indian Country and is causing tremendous cost to the Indian health care system. Studies show that to be effective Tribes need to pay for 180-day inpatient treatment costs and provide significant aftercare treatment. Currently, there are no programs in the Northwest to provide for this type of adult treatment. Dual diagnosis patients needing a combination of mental health and alcohol treatment services would benefit from a larger appropriation for these services.

The proposed increase of \$6.3 million will go to cover \$2.2 million for pay costs, \$2.1 million for inflation, and \$1.9 is to cover the costs of population growth.

TABLE 13.—CONTRACT HEALTH SERVICES

[In thousands of dollars]

	Amount
President's Request .....	525,021
Increase/Decrease (5.4 percent) .....	26,953
NPAIHB Current Services Estimate .....	62,259
President's Proposed Increase .....	26,953
Shortfall .....	35,306

## CONTRACT HEALTH SERVICES (IHS 26)

This year's requested CHS increase of \$26.9 million is a reasonable percentage of the overall increase, but far short of need. The \$35.3 million shortfall means referrals for dental services and specialty care will be curtailed. It means tribes will once again fall into PRIORITY ONE in the winter instead of spring of the fiscal year. CHS funding is the most critical line item for Tribes in the Northwest. The Northwest Portland Area Indian Health Board estimates \$62.3 million is needed to maintain the current level of services purchased with Contract Health Service (CHS) dollars. The fiscal year 2006 request includes \$18.9 million to fund inflation and \$7 million for population growth. This is the first time since fiscal year 2001 that the CHS program has received any funding to cover these critical areas. In fiscal year 2001, President Clinton requested \$40 million for the first time since 1992. The increase was sufficient to fund population growth and the medical inflation rate and for the first time Tribes saw the level of CHS denials begin to fall (see Figure No. 2). This year's request is far short (\$35.3 million) of the amount needed to truly fund inflation and population growth. CHS funding for new facilities is estimated to be \$1 million.

Congress should note that there are no pay costs associated with the CHS program, yet the providers that tribes purchase specialty care services from are as deserving of pay cost increases as federal workers. In many cases these increases would go to small town practitioners and rural hospitals. CHS purchases of specialty care are a very efficient method of providing health care services that contributes to rural economies. CHS is a much more efficient method of providing care than building new hospitals.

CHS represents about 18 percent of the total health services account. In the Northwest it represents over 20 percent of the Portland Area Office's budget. The

consequence of twelve years of un-funded inflationary increases has been declining services for tribes who depend upon Contract Health Services to support inpatient and specialty care. IHS areas like the Portland Area (with no hospitals) are particularly hurt by the lack of sufficient increases to cover medical care inflation. There is only so much that can be done to restrict medical priorities. Rationing and erosion of service has been a constant problem, particularly for CHS programs. The Portland Area strongly supports distribution of CHS dollars with a formula that recognizes that some areas are strongly dependent on this funding source. The new formula for CHS distribution was not supported by Northwest tribes.

TABLE 14.—LOST PURCHASING POWER 1993 TO 2005 FOR CONTRACT HEALTH SERVICES LINE ITEM (CHS)

[In thousands of dollars]

Year	Approved budget	Medical inflation need	Un-funded medical inflation	Un-funded population growth	Total un-funded
1992 .....	308,589	( <sup>1</sup> )	.....	.....	.....
1993 .....	328,394	331,425	3,031	6,480	9,511
1994 .....	349,848	354,260	4,412	6,896	11,308
1995 .....	362,564	373,635	11,071	7,347	18,418
1996 .....	362,564	390,428	27,864	7,614	35,478
1997 .....	368,325	406,744	38,419	7,614	46,032
1998 .....	373,375	419,433	46,058	7,735	53,793
1999 .....	385,801	438,218	52,417	7,841	60,258
2000 .....	406,000	414,350	8,350	8,102	16,452
2001 .....	445,773	444,570	(1,203)	8,526	13,096
2002 .....	460,776	490,350	29,574	9,240	51,036
2003 .....	475,022	518,373	43,351	9,500	52,851
2004 .....	479,070	536,558	57,488	9,581	67,070
2005 .....	498,068	557,836	59,768	9,961	69,730
Thirteen Year Total .....	.....	.....	380,601	106,438	505,032

<sup>1</sup> Base Year.

Contract Health Services is the program most vulnerable to inflation pressures. Between fiscal year 1992 and fiscal year 2005, the NPAIHB estimates that over \$1/2 billion have been lost to inflation in the CHS program nationally. Unfunded medical inflation alone exceeds \$380 million, while unfunded population growth is \$106 million—representing \$505 million in lost purchasing power as depicted in the Table 14 above.

TABLE 15.—BUDGET HISTORY OF CHS FUNDING FISCAL YEAR 1996 TO FISCAL YEAR 2006

[Dollars in thousands]

	CHS approved	Increase over previous year	Percent of increase
1996 .....	\$362,564	.....	.....
1997 .....	368,325	\$5,761	1.56
1998 .....	373,375	5,050	1.35
1999 .....	385,801	12,426	3.22
2000 .....	406,756	20,955	5.15
2001 .....	445,773	39,017	8.75
2002 .....	460,776	15,003	3.26
2003 .....	468,130	7,354	1.57
2004 .....	479,070	10,940	2.28
2005 .....	498,068	18,998	3.81
2006 .....	525,021	26,953	5.13
Ten Year Total .....	.....	.....	3.40

Table 15 charts the past 11 years funding for CHS. The increase has been about 3 percent each year while medical inflation rate experienced in the Northwest is approximately 10 percent over the past decade. CHS should receive medical inflation adjustments at least equal to the Medicaid program (projected to be 8.4 percent for



through 2007<sup>8</sup>) since both purchase care from private providers. Since the fiscal year 2005 approved appropriation was \$498 million, a fair inflation adjustment would total \$62.3 million for fiscal year 2006. The President has requested an amount that is not sufficient to protect real resources that continue to be lost to medical inflation.

Medicaid's enrollment growth rate is projected at 1.8 percent over the next 5 years and is less than the projected increase in the Indian population (2.1 percent); so population growth does not justify the higher rate of growth for Medicaid. Surely no one believes that the relatively small Indian Health Program is able to secure better rates from providers than the Medicare and Medicaid programs. The IHS should expedite the publication of regulations to implement Section 506 of the Medicare Modernization Act (MMA). This provision would require hospitals that accept Medicare payments to pass on those same rates for services provided for under the CHS program. The Board assisted in the development of these very beneficial regulations however, they have not been published by the IHS or CMS. In the meantime, Tribes continue to drawdown on their CHS budgets, and the Section 506 regulations would provide a significant cost savings that would allow for additional services to Indian people.

#### CATASTROPHIC HEALTH EMERGENCY FUND (CHEF)

The CHS budget includes a Catastrophic Health Emergency Fund (CHEF) of \$18 million intended to protect the daily administration of local CHS programs from overwhelming expenditures for catastrophic health cases. This fund is a lifesaver for Indian health programs. Its purpose is to fund catastrophic health care cases with large expenses. Northwest Tribes urge the Congress to consider fully funding CHEF since these cases are all well-documented need and critical to the financial stability of the small programs that exist in the Portland Area and many other Areas of the Indian Health Service.

The current fiscal year 2005 threshold is \$23,800 before a case is considered for funding. The Catastrophic Health Emergency Fund is an important source of funds for programs that experience high cost cases. These cases place a tremendous financial and ethical burden on a Service Unit or a tribe if the case occurs near the end of the year after the Fund has been exhausted.

In fiscal year 2004,<sup>9</sup> CHEF claims totaling \$13.3 million for 756 cases went unpaid and were absorbed by local CHS budgets. The actual unfunded need is certainly greater than \$13 million because the fund is usually depleted by the third quarter of the fiscal year. CHS deferred services include those cases within the CHS medical priority area, however, are deferred due to lack of funding. Portland Area Tribes strongly urge the Congress to fully fund CHEF since the impact of not funding it fully threatens Indian Health programs more than any other line activity in the budget. Based on fiscal year 2004 data (the most current year data are available) the CHEF need is easily \$32 million.

For fiscal year 2004, the IHS estimates that there are 156,862 deferred services totaling \$144.7 million. This is an increase of 8,339 cases over fiscal year 2003. In addition, there are another 23,368 eligible cases that meet the eligibility requirements for CHS services, but are denied because the care is not within the CHS medical priorities (Priority One). Every year tribes simply do not submit claims since they know that in the last quarter claims are not likely to be approved.

TABLE 16.—PUBLIC HEALTH NURSING

[In thousands of dollars]

	Amount
President's Request .....	49,690
Increase/Decrease (10.4 percent) .....	4,675
NPAIHB Current Services Estimate .....	3,151
President's Proposed Increase .....	4,675
Shortfall .....	(1,524)

<sup>8</sup>The Budget and Economic Outlook: Fiscal Years 2006 to 2015, p. 57, Congressional Budget Office, January 2005.

<sup>9</sup>Fiscal year 2004 is the most current year that CHEF data are available since expenditures are not reported until the following fiscal year.

## PUBLIC HEALTH NURSING (IHS 33)

The President's request for Public Health Nurses (PHNs) is a 10.4 percent increase though it is not enough maintain current services. The NPAIHB estimates it will take \$3.1 million to maintain current services. The President proposes new staffing of \$2.8 million (60 percent of increase). This will leave only \$1.9 million to cover the costs of maintaining current services.

PHNs are at the center of many community based health care services including home visits to provide: disease surveillance, direct therapy; and group education comprise 40 percent of the PHNs time. The growing elderly population has resulted in a 15 percent increase in home visits by PHNs. It is clear that this growing need requires greater than average increases if we are to meet this demand. A significant amount of time is dedicated to maternal and child health promotion. The important work being done to lower infant mortality and Sudden Infant Death Syndrome cannot be maintained if funding falls below the rate of inflation. SIDS awareness campaigns have resulted in a lower rate of infant deaths, yet it is still the greatest cause of infant mortality with rates that are the highest of any group in the United States.

TABLE 17.—HEALTH EDUCATION

[In thousands of dollars]

	Amount
President's Request .....	13,787
Increase/Decrease (10.9 percent) .....	1,358
NPAIHB Current Services Estimate .....	870
President's Proposed Increase .....	1,358
Shortfall .....	(488)

## HEALTH EDUCATION (IHS 36)

The President's request for Health Education is quite significant given the past year's increases for this account. In fiscal year 2006, the President has requested \$13.8 million, an increase of 10.9 percent. It is more than double past year's requests. The amount needed to maintain current services is \$870,000. After staffing new facilities, there is only \$553,000 available for current services. The President has also requested \$214,000 for pay costs, \$164,000 for inflation and \$175,000 for population growth.

The Health Education program communicates the importance and on-going need for comprehensive clinical and community health education programs. It ensures education to patients, works with hospitals, clinics, and community education programs to integrate IHS patient education protocols and code systems.

TABLE 18.—COMMUNITY HEALTH REPRESENTATIVES

[In thousands of dollars]

	Amount
President's Request .....	53,737
Increase/Decrease (4.6 percent) .....	2,373
NPAIHB Current Services Estimate .....	3,595
President's Proposed Increase .....	2,373
Shortfall .....	1,222

## COMMUNITY HEALTH REPRESENTATIVES (IHS 39)

The President proposes spending \$52.7 million for the Community Health Representatives (CHRs) Program (an increase of 4.6 percent over last year). No new staffing dollars are proposed for the CHR program. Increases for CHRs includes \$863,000 for pay cost increases, \$785,000 for inflation, and \$724,000 for population growth. Increased training for CHRs has made them effective partners on the health care team. CHRs are at the forefront of much of the preventive health that needs to be emphasized in Indian health programs. Unfortunately, the requested level of funding will result in cuts at the program level since it does not cover inflationary cost increases.

TABLE 19.—URBAN HEALTH

[In thousands of dollars]

	Amount
President's Request .....	33,233
Increase/Decrease (4.5 percent) .....	1,417
NPAIHB Current Services Estimate .....	3,977
President's Proposed Increase .....	1,417
Shortfall .....	2,560

## URBAN HEALTH (IHS 49)

The 34 Urban Health Programs serve a diverse patient base with tribal affiliation from around the country. Most American Indians and Alaska Natives are urban Indians (an estimated 57 percent) with approximately 605,000 American Indians or Alaska Natives are eligible to use Title V Urban Indian Programs. In some cities, however, such as Phoenix, Anchorage, Albuquerque and Seattle, far more urban Indians receive their care from IHS and tribally operated programs than urban programs. There is no data to accurately describe the true need, but it is clearly underfunded in the Indian Health Service budget. The availability of care in urban settings relieves the caseload at IHS/tribal programs and saves many from difficult transportation challenges. Like the CHS program, medical inflation and past year shortfalls require at least a 12.5 percent increase just to maintain services. In fiscal year 2005 Urban Programs received only a 1 percent increase. This year's increase of \$1.4 million will cover pay cost increases of \$482,000, inflation \$485,000, and population growth \$449,000. This will leave a shortfall of \$2.6 million that will cut into current services. This means that many patients will be forced to travel great distances back to reservations to secure care at their tribe or another Indian health programs.

TABLE 20.—INDIAN HEALTH PROFESSIONS

[In thousands of dollars]

	Amount
President's Request .....	31,503
Increase/Decrease (3.7 percent) .....	1,111
NPAIHB Current Services Estimate .....	1,216
President's Proposed Increase .....	1,111
Shortfall .....	105

## INDIAN HEALTH PROFESSIONS (IHS 54)

The Administration's request is \$31.5 million, an increase of 3.7 percent over fiscal year 2005 levels. Last year's final approved budget for this account (a cut of 1.3 percent) makes absolutely no sense when the IHS is experiencing critical shortages of physicians, nurses, dentists, pharmacists and optometrists and a growing concern of other professions essential to staffing health facilities. This year's increase includes \$44,000 for pay cost increases and \$1.1 million for inflation. The NPAIHB estimates the current service need to be \$1.2 million, with the President's request short by \$105,000. The scholarship and loan repayment programs are vital to the IHS system developing its own human resource capital.

TABLE 21.—TRIBAL MANAGEMENT

[In thousands of dollars]

	Amount
President's Request .....	2,430
Increase/Decrease (3.7 percent) .....	87
NPAIHB Current Services Estimate .....	94
President's Proposed Increase .....	87
Shortfall .....	7

## TRIBAL MANAGEMENT (IHS 58)

For the first time in two years, the President's request includes an increase for Tribal Management. The Tribal Management program is an essential component of the Self-Determination program that awards grants to Tribes to assist them to assume part of all of their IHS programs. The grants allow tribes to assess, evaluate, and develop their capacity to assume IHS programs. The President's request is adequate to maintain the current level of effort, however does not provide for any expansion of the current program. The President's increase of \$87,000 will be used to cover the costs inflation.

TABLE 22.—DIRECT OPERATIONS

[In thousands of dollars]

	Amount
President's Request .....	63,123
Increase/Decrease (2.4 percent) .....	1,475
NPAIHB Current Services Estimate .....	2,466
President's Proposed Increase .....	1,475
Shortfall .....	991

## DIRECT OPERATIONS (IHS 60)

Direct Operations includes the cost of management at IHS headquarters and the 12 Area Offices. This year the President request includes \$63.1 million, an increase of 2.4 percent over last years spending level. The fiscal year 2005 final approved budget only included a 1.2 percent increase, so the Presidents request is more than double the amount received last year. The increase will cover \$1.1 million of pay costs and \$357,000 for inflation—leaving a shortfall to cover current services of \$991,000.

TABLE 23.—SELF-GOVERNANCE

[In thousands of dollars]

	Amount
President's Request .....	5,752
Increase/Decrease (2.9 percent) .....	166
NPAIHB Current Services Estimate .....	223
President's Proposed Increase .....	166
Shortfall .....	57

## SELF-GOVERNANCE (IHS 64)

Two years ago, Congress reduced the Self Governance line item by \$4.7 million, a loss of 43 percent from the previous year. The final enacted fiscal year 2005 budget did not include an increase for the Self-Governance programs. In fact, once last year's rescissions are applied, the Self-Governance programs once again lost funding by having its base budget eroded by \$51,000.

The fiscal year 2006 request of \$5.752 million is a 2.9 percent increase, however, will not even cover past year's shortfalls, inflation, population growth, and the loss to last year's base budget. The Self-Governance office supports compacted tribes operating programs under the Tribal Self-Governance Amendments of 2000. This law, Public Law 106-260 established compacting as permanent, under the new Title V of Public Law 93-638. The Self-Governance process serves as a model program for federal government outsourcing, which builds Tribal infrastructure and provides quality services to Indian people. It is estimated that Tribes operate \$1.8 billion, or 55 percent of the total IHS budget, and it is imperative that they receive the necessary resources to develop and build their administrative infrastructure and allow for new and expanded programs.

The fiscal year 2006 requested increase will go to cover \$18,000 for federal pay cost increases and \$148,000 for inflationary costs. This will leave an estimated \$57 million to maintain the current program.

TABLE 24.—CONTRACT SUPPORT COSTS

[In thousands of dollars]

	Amount
President's Request .....	268,683
Increase/Decrease (1.9 percent) .....	5,000
CSC Unmet Obligations Estimate .....	112,000
President's Proposed Increase .....	5,000
Shortfall .....	107,000

## CONTRACT SUPPORT COSTS (IHS 121)

The Indian Self-Determination and Education Assistance Act of 1975 authorizes Tribes to enter into contracts or self-governance compacts to manage federal programs previously administered by the IHS. The well-documented achievements of the Indian self-determination policies have consistently improved service delivery, increased service levels, and strengthened Tribal governments, institutions, and services for Indian people. Every Administration since 1975 has embraced this policy and Congress has repeatedly affirmed it through extensive amendments to strengthen the Self-Determination Act in 1988 and 1994. The President fails adequately request Contract Support Costs (CSC) funding to support the administrative functions of running Tribal health programs.

In the fiscal year 2005 final appropriation, Congress failed to provide an increase for the second straight year and when the rescissions of fiscal year 2004 and fiscal year 2005 are applied, the CSC line item has actually had its base funding eroded by \$6.9 million over the past two years. The \$264 million provided for CSC is not adequate to fund past year's shortfalls or provide necessary resources for Tribes to continue to manage health programs assumed from the Federal government. The damaging cuts to CSC are contrary to the Administration's principles of government outsourcing. The fiscal year 2006 increase of \$5 million will not even restore the CSC base funding lost over the last two years!

For the first time in two years, the President request includes a small increase of \$5 million for the CSC account. The increase will be directed for new and expanded Public Law 93–638 programs. Congress must appropriate an additional \$107 million to eliminate the ongoing shortfall. The continuing shortfall threatens to pit tribe against tribe as mature contractors are asked to absorb all inflationary increases in order to fund new contractors.

## INFORMATION TECHNOLOGY INFRASTRUCTURE (IHS 74)

The Information Technology Infrastructure account supports the adoption of information technology in the Indian health care system. The activities supported by this program go to reduce medical errors and improve health care quality, and modernize the administrative functions of the IHS system. The Resource Patient Management System is the enterprise health information system and is supported by this account. In fiscal year 2006, the President proposes a \$1.7 million decrease for this very important function. Many tribal leaders and health directors feel that this decrease is a direct result of the data set-aside funds from the Special Diabetes Program for Indians. It is felt that the residual function of maintaining the RPMS and other data systems is being offset by the data improvement funds from the SDPI. The information technology needs of Indian Country are too great and this offset should not continue in the future.

## MEDICAID, MEDICARE AND PRIVATE COLLECTIONS (IHS 78)

The fiscal year 2006 budget justification for the first time in many years, proposes increases of \$8.4 million in Medicare and Medicaid collections. This estimate may not be entirely accurate given severe cutbacks in the Medicaid program in many states. While the IHS and Tribes have significantly increased their ability to collect third party reimbursements, the Medicare and Medicaid programs have entered a period of change.

The Medicare Modernization Act (MMA) will be fully implemented in 2006 and proposed changes will significantly impact the ability of Indian health systems to collect third party resources from this very important program. Increasing Medicare collections will be difficult since the MMA fails to adequately incorporate Indian health programs into the prescription drug program. It fails to protect the right of elderly and disabled Indian people to receive prescription drug coverage without charge from the federal government. The new program raises significant issues of

access and cost-sharing which will impact how and where elderly and disabled Indians get coverage. The Medicare program also threatens to significantly reduce reimbursements to Indian health programs for prescription drugs provided by IHS and Tribally operated programs. The current Medicaid all-inclusive rate is \$206 for out-patient visits.

No one really knows how much is collected for Medicare and Medicaid, but at least the Administration does not inflate the estimates and then use the inflated estimates to justify lower increases in the IHS budget. The estimates are not worth restating here. One wonders why the Centers for Medicare and Medicaid cannot produce better figures since they are paying the bills. In addition, they are paying states 100 percent of the costs of American Indians and Alaska Natives.

There are some indications that collections will not increase as much as estimated by the Administration because enrollment growth in Medicaid has stopped in Washington and is declining in Oregon over the past two years. In addition, CMS has recently denied Washington's request to exempt American Indians from co-payments at the point of service, with a similar issue pending in Oregon. The NPAIHB and the American Indian Health Commission are working with the state to challenge this change in CMS policy.

#### CHANGES IN MEDICARE AND MEDICAID RULES NEEDED

The Centers for Medicare and Medicaid should work with states and tribes to insure that American Indians and Alaska Natives can choose Indian Health Programs as their providers. They should not be automatically assigned to managed care plans nor should they be required to pay co-payments or premiums. The Medicare program also threatens to significantly reduce reimbursements to Indian health programs for prescription drugs provided by IHS and Tribally operated programs. Beginning in 2006, seniors that get their pharmacy coverage under Medicaid (Dual-Eligibles) will be required to choose or be assigned to a private prescription drug plan and may no longer receive prescriptions from Indian programs. Tribal programs have become increasingly dependent on Medicaid reimbursements to help their under-funded programs. IHS funding covers only about 50 percent of the health needs of American Indians and Alaska Natives. The new law could significantly reduce the payments to the Indian programs by both encouraging the elderly and disabled to enroll in private prescription drug programs, which may or may not include IHS and Tribal pharmacies in their networks, and by reducing the rate of reimbursement. CMS should exempt American Indian people from the premiums for enrollment into the Part D program and waive the co-pay associated with filling prescriptions under the new Part D program.

#### SPECIAL DIABETES FUNDING (IHS 81)

Fiscal year 2004 was the first year of the \$150 million per year authorized for diabetes by the 107th Congress. In response to Congressional direction, the IHS developed and implemented a competitive grant program entitled, the Targeted Demonstration Project. The competitive grant program provides \$24 million to focus on primary prevention of Type 2 diabetes and reduction of cardiovascular risk in American Indian people. A careful evaluation of this expenditure of over \$100 million for a research project should be conducted annually to ensure the wise use of limited funds.

The Special Diabetes program will most surely result in program dollar savings in future years. Tribes welcome new resources for diabetes and hope to make these funds a recurring addition to the IHS budget until such time as they are not needed. These funds are a good investment. They are helping tribes nationwide to understand the magnitude of the burden of disease from diabetes and to develop interventions. They will likely save future spending on this disease. Improved health status depends on adequate appropriations. In some cases failing to maintain current services will result in the need for greater resources in the future. In addition to the human suffering it causes, diabetes is a financial drain on Indian health program resources. If prevention activities are successful, much suffering and expense will be avoided. Tribes are successfully developing programs to prevent and treat this serious disease that disproportionately impacts Indian people. The Northwest Portland Area Indian Health Board's EpiCenter is assisting tribes in this effort and continues to report on progress made by Northwest Tribes. Northwest tribes have invested over \$1 million of their own diabetes allocation in improving Diabetes data reporting and information generation since the start of the SDPI.

## HEALTH FACILITIES ACCOUNT (IHF 1)

*Maintenance and Improvement (M&I) (IHF 3)*

Over the past 12 years (fiscal year 1993–fiscal year 2005) there has been less than a 5 percent increase in M&I despite the fact that the inventory of space has increase appreciably (over 30 percent in the Portland Area). Many tribes have seen a decrease in their funding due to the lack of adequate increases to reflect the growth in new and expanded facilities. The current (2004) replacement value of facilities eligible for M&I is \$2.25 billion. The capital assets of Indian health facilities must be protected from deteriorating due to lack of funding for routine maintenance.

The IHS Backlog of Essential Maintenance and Repair (BEMAR) survey for October 2004 estimates that there is a chronic backlog of \$482 million in needed repairs to Indian health facilities. In fiscal year 2002 \$14,145,000 was available for program deficiencies identified by BEMAR. The Indian Health Service should continue to update this information to provide Congress with the basis for increased funding to address this need.

The President's request for M&I is \$49.9 million, an increase of \$700,000 or 1.4 percent over last years enacted level. The NPAIHB estimates that it will take at least \$1.9 million to adequately address the M&I needs of Indian health facilities. This leaves a shortfall of \$1.3 million.

*Sanitation (IHF 8)*

Approximately 7.5 percent of all AI/AN homes lack safe water in the home compared to less than 1 percent average nationally. Unfortunately, the enacted fiscal year 2005 budget for Sanitation services was cut by \$1.1 million even though the list of documented projects totaling \$915 million. The President's fiscal year 2006 request includes \$93.5 million for Sanitation Facilities, an increase of \$1.75 million or 1.9 percent over last year's enacted level. The NPAIHB estimates that it will take at least \$3.7 million to adequately address the sanitation needs of Indian Country. This leaves a shortfall of \$1.9 million.

*Health Facilities Construction (IHF 14)*

Northwest tribes reluctantly support the one-year pause in new facilities construction if the money saved is redirected to the health services account. As noted above, facilities, especially hospitals, are expensive to build and their staffing packages more costly still. The Administration and Congress funded \$88.6 million in fiscal year 2005 while allowing Contract Health Services to erode with funding 75 percent below the level needed to maintain services.

The cost of the Ft. Defiance Hospital through fiscal year 2004 totaled \$125 million—far above the initial estimate of \$105 million. The latest projections for the Phoenix Indian Medical Center have jumped from \$526 million to over \$589 million, an increase of \$53 million in a little over one year. The Portland Area tribes are on record as opposing any new facilities construction projects until the IHS completes its revision of the Health Facilities Construction Priority System. The current priority list was developed in 1991 and virtually locks out Tribes from badly needed construction dollars unless you are one of the facilities on the current list. The current environment of delivering health care services has changed dramatically from large hospital based systems to smaller outpatient health clinics, and the current use of facilities health construction dollars may not be the most beneficial use of valuable resources.

*Alternative Methods of Acquiring Health Facilities*

If new facilities construction dollars are restored to the fiscal year 2006 budget, some of these funds should go to alternative funding mechanisms. Northwest Tribes have long encouraged more alternative methods to construct new facilities. These alternative methods of acquiring health facilities must be supported. There is such an enormous need that depending exclusively upon IHS appropriations for all health facility requirements is not realistic. The Indian Health Service and Tribes have developed a strategy that will greatly increase the number of new ambulatory health facilities constructed, but some IHS funding is required for this strategy of leveraging financing to work.

The Indian Health Care Improvement Amendments (Section 818 of Public Law 102–573) authorized joint venture projects in which a tribe plans and constructs a health facility and IHS provides the equipment, staffing and operations costs. The Administration requests no funds for additional projects. \$20 million would fund 2 to 3 projects per year.

The Indian Health Care Improvement Act (Section 306 of Public Law 102–573) authorized a grant program for the construction, expansion and modernization of small ambulatory care facilities. This is a program that has long been needed to as-

sist tribes to secure quality health care in isolated rural areas. In the Northwest this could mean replacing old, worn out trailers that serve as the health clinics in tribal communities. Small modern clinic facilities assist tribes to attract health care professionals, provide a health focus for the community, and where tribes are agreeable and resources available, can provide health care services to underserved non-Indian individuals in the community. \$25 million would support 4 to 10 projects a year. There is an excellent record of achievement that should be rewarded with increased appropriations.

The Northwest Portland Area Indian Health Board has also suggested that the Indian Health Service secure authority to make loan guarantees for tribes who are seeking outside financing for health facilities. This would create another opportunity for tribes to build needed facilities rather than waiting for the Indian Health Service to fulfill its obligation. A loan guarantee would substantially reduce the debt service associated with financing facilities. A \$15 million fund (possibly funded with government bonds) could support construction of 7 projects a year with tribes repaying their loans with Medicaid collections or other sources of revenue.

*Facilities and Environmental Health and Engineering Support (IHF-35)*

This line item consists of four subsidiary activities; facilities support, environmental health support, and the Office of Environmental Health and Engineering support. The fiscal year 2005 enacted level included \$141.6 million for this account, and increase of 2.7 percent. The President's fiscal year 2006 request is \$150.9 million, an increase of \$9.2 million or 6.6 percent. The NPAIHB estimates that it will take \$5.7 million to maintain the current levels of service.

*Equipment (IHF 55)*

The Administration requests \$17.960 million for Equipment, an increase of \$623,000 or 3.6 percent over last year's enacted level. Indian Health Service estimates an inventory of \$320 million in equipment with an average estimated life expectancy of 6 years. New facilities, including facilities built with non-IHS funds would benefit from additional funding for the equipment line item. The equipment line item funds normal equipment replacement due to age and maintenance. A reasonable estimate is that Indian health programs will need an additional \$18 million annually to cover needs for biomedical, facility and telecommunications equipment. This amount will only cover the cost of upgrades and will not cover the cost of equipment—even where that would be more cost effective in the long run.

THE FISCAL YEAR 2006 IHS BUDGET IN THE CONTEXT OF THE NEW BUDGETARY REALITIES

It is worthwhile to consider the overall budgetary context in any analysis of the fiscal year 2006 Indian Health Service budget. When President Clinton left office there was a budget surplus that was anticipated to continue to grow to \$6 trillion over ten years. Unfortunately, the recent recession combined with tax cuts and war spending associated with fighting terrorism and funding for homeland defense has completely reversed the expected revenue and spending picture. It is anticipated that deficit spending will continue over the next ten years.

TABLE 25.—ANNUAL BUDGET SURPLUS/DEFICIT PROJECTIONS

[In billions of dollars]

	Fiscal year						Total
	2005	2006	2007	2008	2009	2010	
CBO Baseline Projections .....	(539)	(487)	(477)	(473)	(463)	(461)	(2,900)
President's Budget Projections .....	(394)	(332)	(278)	(250)	(246)	(229)	(1,729)

Source.—CBO—The Budget & Economic Outlook Fiscal Year 2006–Fiscal Year 2015, January 2005

Table 25 above compares significant differences between the estimates of the Congressional Budget Office (CBO) and President (OMB) over the next five years. The current budget deficit is \$412 billion. As the table illustrates, the CBO estimates a \$539 billion deficit, while the President proposes a \$394 in fiscal year 2006. Over the next five years, the President proposes to cut the deficit by 50 percent from \$412 down to \$229 billion.

*Budget Realities*

For fiscal year 2006, discretionary programs represent approximately one-third of the budget of the United States government. Debt interest will represent approxi-



mately 7 percent of the budget down from 11 percent last year. Mandatory spending for Social Security Act programs like Medicare, Medicaid and other mandatory programs such as veterans programs represent over 54 percent of the budget. Debt interest is projected to stay approximately the same over the next five growing to 11 percent in fiscal year 2010. The CBO projections do include a modest estimate of \$32 billion for supplemental requests for the war efforts that continue to linger in Iraq. It is expected that this amount will be greater than that, and perhaps as much as \$40 billion in fiscal year 2006.

#### *Discretionary Spending*

President Bush has proposed \$843 billion in discretionary spending authority for fiscal year 2006. The fiscal year 2005 spending amounts for discretionary included \$840 billion in spending authority and \$11.5 billion for disaster relief enacted in October 2004. This means that discretionary spending will only grow by 1.7 percent or \$14 billion from fiscal year 2005 to fiscal year 2006. Meanwhile, the Defense appropriations have grown by 4.4 percent.

Last year, the CBO estimated the Iraq war could cost as much as \$41 billion, however the current supplemental appropriation is \$82 billion. The CBO has estimated a \$32 billion supplemental appropriation for Iraq in fiscal year 2006. Last year, the CBO estimated that the ongoing military operations in Iraq, Afghanistan, and the continuing war on terrorism could cost \$280 billion over ten years. These costs have exceeded the initial estimates of the war and will continue to have an impact on U.S. spending with a severe effect on discretionary spending over the next five years.

#### *Discretionary Spending for Indian Programs*

Federal spending on Indian programs is considered discretionary spending. This does not mean the U.S. Government has no obligation to fund Indian programs, but it does mean that an annual appropriation is required to fund these programs, including the Indian Health Service budget. This year's HHS budget only includes \$67.1 million, or 10.5 percent, of its total budget for discretionary programs. The IHS budget (\$3.05 billion) represents less than 1 percent of the overall HHS budget (\$642,188 billion) and 4.8 percent of the discretionary portion of the HHS budget. The President proposes to hold discretionary spending to 1 percent (less the rate of inflation). Given the costs of the war in Iraq, the Administration's proposal to cut the deficit in half in five years, and some of the reform efforts to curtail mandatory spending—the prospect for discretionary programs does not look good in fiscal year 2006.

#### *Appropriations Subcommittees*

The House has reorganized its appropriation subcommittee structure from 13 down to 10 subcommittees. The House Interior Subcommittee has responsibility for the IHS appropriation and has also picked up the responsibility of appropriations for the Environmental Protection Agency. It is not expected that the environmental issues will compete directly with Indian health care, therefore the added responsibility should not off-set the needs of Indian health programs. However, with the Senate continuing to have 12 appropriations committees, it is difficult to see how the Senate and House can work on appropriations bills with one body having 12 and the other having 10 committees. It is to be seen if the Senate will follow suit with the same reorganization structure of the House. If the Senate does not change, it will make it difficult to conference appropriation bills and legislation that impacts the different committees. The Senate and House Interior Appropriation Committees develop the Bureau of Indian Affairs and the Indian Health Service budgets. IHS funds are transferred to the Department of Health and Human Services (similar to FDA funds from Agriculture to HHS). The Interior Appropriations Committee appropriates only 2 percent percent of all discretionary spending or about 5 percent of all non-defense discretionary spending. The Bush Administration's fiscal year 2006 request for the Interior Appropriations Bill totals \$19.8 billion in budget authority. This is a \$200 million decrease from the fiscal year 2005 enacted level. If this ends up being the 302(b) allocation to the committee, the committee will be under severe constraints in allocating these small increases across the varied programs of the committee.

#### *The Indian Health Service Budget and Department of Health and Human Services*

The fiscal year 2006 Budget Authority of the Department of and Human Services totals approximately \$642 billion. The final enacted fiscal year 2005 appropriation for the Indian Health Service budget totals \$2.98 billion. This means the Indian Health Service represents less than one percent (0.53 percent) of all spending by the Department. By comparison, Medicare represents \$340,412 (53.2 percent) of all

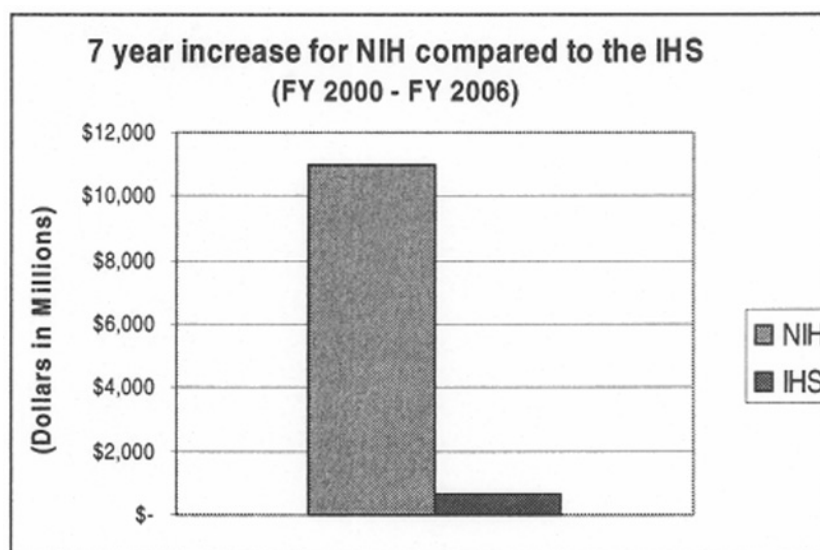
spending and Medicaid \$193 billion (30 percent) of total spending by the Department of Health and Human Services in fiscal year 2005. The Part D drug benefit of the Medicare Modernization Act will increase Medicare spending in fiscal year 2006 to over 50 percent of HHS's budget. Medicaid's spending is down from 31 percent last year to 30 percent this year, a reflection of this Administration's attempt to control spending in mandatory programs and the shifting of some costs to Medicare.

Although the IHS fiscal year 2006 increase compares favorably to other HHS agencies, Table 26 below shows the IHS, as the only agency whose only business is providing health care services, lags behind most agencies that do not suffer from the effects of medical inflation eroding their core programs.

TABLE 26.—FIVE HEALTH CARE AGENCIES OF THE HHS

	Fiscal year							5-year percent increase
	2001	2002	2003	2004	2005	2006	2006 percent change	
CDC .....	\$3,823	\$4,449	\$4,340	\$4,440	\$4,572	\$4,017	-12.1	4.8
NIH .....	20,535	23,554	27,178	28,041	28,444	28,845	1.4	28.8
HRSA .....	6,304	6,209	7,017	7,188	7,373	5,982	-18.9	-5.4
IHS .....	2,604	2,758	2,849	2,922	2,984	3,048	2.1	14.6
SAMHSA .....	2,966	3,136	3,158	3,235	3,269	3,215	-1.7	7.7

Source.—DHHS Budget in Brief Fiscal Year 2005.



#### *NIH Program Increases compared with IHS*

The chart below illustrates the National Institutes of Health (NIH) budget increases over the last seven years as compared to the increases received for the Indian Health Services. Over the last seven years, the NIH has received \$11 billion in budget increases, while the IHS has only received \$627 million—a difference of 94 percent.

The Department's discretionary program spending is just 10.5 percent (\$67.1 billion in budget authority) of its total spending. Other discretionary programs in the Department include the National Institutes of Health, the Centers for Disease Control and Prevention, the Health Resources and Services Administration and the Substance Abuse and Mental Health Services Administration.

*The Agenda of the 109th Congress*

Republicans in the 109th Congress will continue to control both the House and the Senate, while at the same time having a Republican president. Despite nominal control of the government, it is once again unclear whether this Congress will pass a budget resolution since the Republicans do not have a veto-proof Senate. If there is a budget resolution it is likely there will be a reconciliation bill. Since such a bill only requires 51 votes for passage it is the likely vehicle for important agenda items of the Republican Party. If a reconciliation bill is introduced, it could mean certain cost savings measures will be taken by Congress that will adversely effect Indian health programs. Reconciliation directives instruct various committees to meet budget targets through spending and tax measures.

The must-pass appropriation bills will be a key test of bipartisanship claims of President Bush. If he insists on his extremely low increase for non-defense spending (and he has House support for this), battles with the more moderate Senate could ensue. The Republicans in the Senate will have their own difficulties securing 60 votes to pass Administration-sponsored legislation.

The agenda for the 109th Congress will be focused on reacting to the Presidential priority of cutting the deficit in half over the next four years, wrestling with the challenge of reforming Social Security, and controlling spending in the Medicaid program. The Administration's tax cutting proposals are becoming more difficult to justify, but will do well in the current Congress. Finally an \$83 billion supplemental for increase defense spending is likely.

*The Performance Assessment Rating Tool*

A feature of the President's Management Agenda, the Performance Assessment Rating Tool (PART) is being used to measure the success of federally funded programs to meet their goals and assess intended results. This year marks the third year that PART has been used to assess programs and make recommendations to improve performance. The Office of Management and Budget (OMB) uses these factors to make decisions about funding and budget increases. For the first time in three years, federally funded programs have seen the impact that PART will play in the appropriations process. In fiscal year 2006, there are 154 programs that the President has proposed to cut or drop in the budget. Fourteen of these programs are in the Department of Health and Human Services. Three of the identified programs include Indian related programs (BIA School Construction Program, Native American Housing Block Grant Program, and the EPA Discretionary Proposal for Alaska Natives).

Although the Indian health programs have scored quite well in the PART process, it is a wake up call to make sure that Indian health programs comply with the requirements of the PART process. This is the first year that significant cuts and reprogramming have occurred as a result of PART. This year, the administrative elements of 638 programs will be scored using PART and tribes and the IHS will need to work together to ensure the best rating possible.

*Conclusion: The Purpose of this Report*

This document and the Portland, Oregon budget workshop that was held March 9, 2005 represent an effort by the NPAIHB to provide tribes with an analysis of the Administration's proposed Indian Health Service budget and the pertinent legislation to assist them in their efforts to improve health care for their people. It is intended to identify issues that will impact or benefit all Northwest Tribes. While it is recognized that individual tribes will have their own particular issues and projects, it is hoped that tribes will also embrace the main budget and legislative issues identified in this document. Issues with broad support are most likely to achieve congressional action.

Budget formulation should be a participatory process. One of the best ways to develop such participation is for Tribes and the Indian Health Service to agree on common principles and determine the cost of achieving those objectives. It is the connection between budget principles and funding that can bring Tribes and IHS together on the budget. The evaluation of this budget in Table 27 is based on these principles.

*Evaluation Based on Budget Principles: Table 27*

Table 27 grades the President's fiscal year 2006 IHS budget against criteria (or principles) that the Northwest Portland Area Indian Health Board has developed and applied to budget analyses over the past five years. It is the Northwest Tribes' attempt to make an inherently subjective process more objective. The Northwest Portland Area Indian Health Board stands ready to engage in an honest debate over each aspect of this evaluation to clarify our position in the debate over funding In-

dian health programs. As noted above, the President's proposed fiscal year 2006 increase for the Indian Health Service is greater than nearly every other discretionary program. Unfortunately, the obligation to fund health services is not considered discretionary by Northwest tribes. The President's grades reflect this view by Tribes. As Tribal and IHS health programs go on Priority One status in March of 2005 they cannot give the President high marks for meeting the health care needs of Indian people.

TABLE 27.—GRADING THE PRESIDENT'S PROPOSED FISCAL YEAR 2006 INDIAN HEALTH SERVICE BUDGET

		President February 8, 2005 fiscal year 2006 grade	Senate	House
	Criteria or Budget Principle:			
1	Budget Information Shared with Tribes in Consultation Sessions Prior to release date of the first Monday in February.	C—	.....	.....
2	Appropriate adjustment will be made to fully cover expected inflation .....	D	.....	.....
3	Appropriate increases will be included to address population growth .....	C+	.....	.....
4	Appropriate adjustments will be made to fully fund tribal and federal employee compensation.	B	.....	.....
5	The Contract Health Service Budget will be increased to fully fund the need for deferred services.	D+	.....	.....
6	Collection estimates are not represented as fulfilling the federal responsibility to fully fund the IHS budget.	C—	.....	.....
7	Increases will be provided to address the goals of the Indian Health Care Improvement Act.	F	.....	.....
8	Full funding will be included to support staff associated with new construction projects.	D+	.....	.....
9	The Catastrophic Health Emergency (CHEF) Fund will be budgeted at a level to cover all qualifying cases.	F	.....	.....
10	Funding will be provided to cover Contract Support Costs for tribes electing to compact or contract their health care services.	F	.....	.....
11	Adequately support maintenance of IHS and tribal health facilities .....	D—	.....	.....
12	The public announcements relating to the budget will honestly depict what is in the budget.	F	.....	.....
13	Provides adequate funding to reduce health disparities .....	F	.....	.....
14	Honor the federal trust responsibility to provide health care services to American Indians and Alaska Natives.	F	.....	.....
	Overall Grade .....	D	.....	.....

#### PREPARED STATEMENT OF ADVOCATES FOR HEALTH, PUBLIC PARKS, AND RECREATION

The undersigned organizations urge your support for a fiscal year 2006 appropriation of \$100 million from the Land and Water Conservation Fund for assistance to state and local governments, and \$25 million for the Urban Park and Recreation Recovery Program. These federal matching grant programs contribute importantly to nationwide health and wellness strategies.

The Centers for Disease Control and Prevention now recognizes that obesity is a full-scale epidemic, with related health care costs exceeding \$117 billion a year. Children and youth especially benefit from regular physical activity and the development of healthy habits, including active recreation. About 15 percent of all children are overweight, a condition that increases the risk of high blood cholesterol, high blood pressure, and diabetes. By being physically active on a regular basis, often at public park and recreation sites, youth may be able to avoid or delay many health problems.

Studies reported in the *Journal of the American Medical Association* (March 10, 2004) on the increasing rate of mortality attributable to physical inactivity and poor diet also suggest that investments in public park and recreation facilities that encourage active lifestyles are an imperative. The 365,000 deaths annually due to physical inactivity and poor diet is the "largest increase among all causes of death," the JAMA report observes. The International City/County Management Association (ICMA) conducted a survey in 2004 to determine how communities could address the critical and growing issue of obesity at the community level. Nearly 89 percent

of the respondents agreed that community park and recreation departments should take the lead in developing communities that are conducive to active living.

A report by the National Center for Chronic Disease Prevention and Health Promotion reinforces our recommendations. The Center observed, "(C)haracteristics of our communities such as the accessibility and location of parks, trails, sidewalks and recreation centers . . . may play an even greater (than social environments) role in promoting or discouraging an individual or family's level of physical activity."

Congressional support of investments in public access through recreation development and resource conservation holds high potential for perhaps stabilizing health care costs over the long term. For example, the four diseases that may be prevented by appropriate active lifestyles, including active recreation—heart disease, cancer, stroke, and diabetes—are life-threatening and costly to treat. The Centers for Disease Control and Prevention has observed that if physically inactive people were to become sufficiently active, we could potentially reduce health care costs by over \$75 billion a year. Active recreation also can promote mental health by reducing feelings of anxiety and depression.

With appropriate funds, thousands of public park and recreation facilities in American communities will be created, restored, and expanded, thus offering greater opportunity for active lifestyles. We urge your support for federal-state-local fiscal partnerships that will further these objectives.

American Public Health Association; American Running Association; Americans for Our Heritage and Recreation; Association of State and Territorial Public Health Nutrition Directors; California Food Policy Advocates; Center for Science in the Public Interest; Directors of Health Promotion and Education; East Coast Greenway Alliance; Elyria City Health District; Healthy Streets Campaign and the Chicagoland Bicycle Federation; International Health, Racquet & Sportsclub Association; Louisiana Public Health Institute; MetroParks Tacoma; National Center for Bicycling & Walking; National Recreation and Park Association; New York State Nutrition Council; North American Society for Pediatric Exercise Medicine; Pedestrians Educating Drivers on Safety; Preventive Cardiovascular Nurses Association; Shape Up America!; Sporting Goods Manufacturers Association; Texas Public Health Association; United Fresh Fruit & Vegetable Association; U.S. Soccer Federation; U.S. Soccer Foundation; United States Tennis Association; U.S. Youth Soccer; and YMCA of the USA.

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#### PREPARED STATEMENT OF THE NOTTAWASEPPI HURON BAND OF POTAWATOMI INDIANS

##### INTRODUCTION

The Nottawaseppi Huron Band of Potawatomi Indians appreciates the opportunity to present testimony on the President's budget for fiscal year 2006 for the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS). The Tribe is disappointed that the Administration has failed to acknowledge the unique needs facing Indian tribes. The President's fiscal year 2006 budget continues to include programs essential to Indian tribes in across-the-board budget cuts in the Interior and Related Agencies Appropriations bill without assessing the successes Indian tribes have had in taking greater control over the use of BIA- and IHS-funded programs. We agree with the statement of Senator John McCain who, while a fiscal conservative, stated that:

"I object to many of the decreases in funding that are proposed in the President's fiscal year 2006 Budget for Indian programs. The federal government has continually renege on its trust and moral obligations to meet the educational, healthcare, and housing needs of Indians, and these needs far outweigh the imperceptible contribution that the proposed cuts will make to reducing the deficit."

The President's fiscal year 2006 Interior and Related Agencies' budget is an unfortunate shell game, redistributing flat or reduced appropriations for Indian programs among existing and newly created programs for Indian tribes, rather than realistically assessing the needs of Indian tribes, most of which are confronted with higher levels of unemployment and health issues than the general public. For example, increasing funding for the Office of Special Trustee by \$78 million for the Interior Department's historic accounting of Individual Indian Money Accounts while reducing funding for other Indian programs essentially forces Indian tribes to underwrite the cost of a court-ordered mandate—to quantify more than a century of negligence and incompetence—with funds otherwise appropriated by Congress to benefit Indian tribes and their members. This is an action not worthy of a great Nation. We ask

the Congress to restore federal appropriations for Indian tribes and to finance court-ordered mandates from separate funds.

Without adequate federal investment in tribal governments, and the limited infrastructure which characterizes most rural Indian communities, Indian tribes will continue to struggle to meet the needs of their members. Cuts of \$9.3 million in the BIA's Tribal Priority Allocation (TPA) budget, a program essential to Tribal government operations, hampers the ability of tribal governments to provide basic services to their members as well as to attract businesses and other economic development opportunities to their reservations. Coupled with significant cuts of \$44 million in HUD's NAHASDA Indian Housing Block Grant (IHBG) program and reductions of \$86 million in the Indian Health Service's facility construction program, the President's budget contributes to rather than reverses the debilitating cycle of unemployment, poor housing, health and societal ills that diminishes the futures of so many Native Americans today. Many of the programs targeted for reduction are pass-through programs which the federal agencies essentially block grant to Indian tribes, the local governments best able to prioritize limited resources to maximal effect.

Cutting the BIA's TPA budget, which the BIA obligates to hundreds of Indian tribes, will force Indian tribal governments to lay off experienced personnel and curtail program operations at a time when demand is only increasing. This is a misuse of federal funds and has little effect on the deficit.

#### BUREAU OF INDIAN AFFAIRS

##### *Move the Huron Band Out of BIA's "New Tribes" Funding and Award Adequate BIA Resources Commensurate with Our True Needs*

The Tribe was restored to federal acknowledgment as a historic Indian tribe in 1995, yet the BIA continues to award the Tribe only "new tribes" funding, and has not adequately assessed our true needs and obligated appropriate funding. As a result, the Tribe has been deprived of hundreds of thousands of dollars each year. We request that the BIA Midwest Region be instructed to examine the needs of our Tribe and increase TPA funding based on the actual needs of our members and Tribal government rather than continue with only modest increases to the "new Tribes" funding we have been receiving since the late 1990's.

##### *Restore Cuts to the BIA's Tribal Priority Allocation (TPA) Program*

As noted above, the BIA's Tribal Priority Allocation (TPA) budget of \$760 million is divided up among hundreds of Indian tribes which assume Department of Interior programs serving or benefiting Indian tribes under authority of the Indian Self-Determination and Education Assistance Act. Public Law 93-638. This unique form of government contract is perhaps the only government contract where the entity contracting with the United States must subsidize the program it is carrying out on behalf of the United States. For-profit businesses usually make significant profits on government contracts, but sovereign Indian governments are given inadequate funds to carry out essential government programs for their members and are not provided the full level of funding required to meet the program's requirements.

In December 1999, we submitted a fee-to-trust petition to the Interior Department to accept four parcels of land totaling 365 acres into trust. The application is still pending. Our primary economic initiative, to establish a tribal gaming facility on a 79 acre parcel in Calhoun County pursuant to the Indian Gaming Regulatory Act, has been delayed by legal challenges. We will persevere with that effort until we succeed. But in the interim, our needs and the needs of our members are not being met. The Tribe requests increases to the BIA's Tribal Priority Allocation (TPA) program to increase funds for such TPA programs as Aid to Tribal Government, Education, Law Enforcement, General Assistance and Real Estate/Rights Protection programs. We ask that Congress increase the TPA budget by 6.5 percent or \$50 million above the fiscal year 2005 appropriations level.

##### *Increase Contract Support Cost Funds*

Under the Indian Self-Determination Act, the Secretary of the Interior and the Secretary of the Department of Health and Human Services, are required to provide Contract Support Costs (administrative overhead) on top of the base program funds obligated to an Indian tribe's Indian Self-Determination Act contract or Self-governance agreement. For a number of years now Congress has capped the amount of Contract Support Costs available to Indian tribes assuming BIA-funded programs. Historically, Contract Support Cost funding has not been adequate to provide 100 percent of the costs incurred by Indian tribes. The BIA usually awards tribes a fraction (e.g., 90 percent) of the Contract Support Cost funds they require. The balance

of the cost incurred by Indian tribes is either subsidized by the tribes or taken from the direct program award, thus diminishing services.

We ask the Congress to restore the \$2.0 million reduction proposed by the Administration and increase funding for Contract Support Costs from \$134.6 to \$150 million.

#### INDIAN HEALTH SERVICE

The Tribe operates two health clinics, one in Grand Rapids and one in Battle Creek, Michigan to serve the health needs of our 600 tribal members. The Tribe serves a seven county service area encompassing Allegan, Barry, Branch, Calhoun, Kalamazoo, Kent and Ottawa counties. With federal funds from the IHS, plus a grant from the Inter-Tribal Council of Michigan, we employ two nurses, two Community Health Representatives (CHRs), a diabetic coordinator, a full and part-time social worker, a child welfare specialist, and until recently a nurse practitioner. As our members age, our health care costs continue to rise. While we hope one day to have the resources to cover all of the health care needs of our members, at present we are reliant on IHS funds to meet the health needs of our members.

The President's budget request for Contract Health Services is \$525 million, a 5 percent increase over the fiscal year 2005 level. Every health facility which does not offer a full complement of medical services must refer patients to better staffed or equipped clinics and hospitals. Tribes must use Contract Health Services funds to pay for such referrals. Medical inflation costs far exceed 5 percent and we request that Congress increase the appropriation for Contract Health Services by \$52 million to \$550 million for fiscal year 2006 so that Indian tribes may provide additional health services to more members and other eligible Native Americans. Our Tribe has an especially high incidence of cancer and diabetes. Additional funding will help us diagnose and treat more members so that they can continue to lead productive and longer lives.

Thank you for permitting us the opportunity to submit comments on the President's fiscal year 2006 Interior and Related Agencies budget.





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